

Herald Tribune

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PARIS, FRIDAY, MAY 22, 1981

Established 1887

Mitterrand Installed as President



Pierre Mauroy

...commentator Walter... reported left China in a... red tape, lack of cooper...

posed to abhor protocol, looked somber, often tense, and only occasionally relaxed throughout the day. The long schedule of ceremonies included the laying of a wreath at the Arc de Triomphe, a lunch at the Elysee, a visit to the Paris City Hall and a walk to the Pantheon on the Left Bank to pay respects at the tomb of Jean Moulin, a leader of the French Resistance under Nazi occupation, and of Jean Jaures, the founder of the Socialist movement in France in 1901.



Outgoing French President Valery Giscard d'Estaing, right, greeted Francois Mitterrand Thursday on the steps of the Elysee Palace in Paris before the transfer-of-powers ceremony.

Begin Makes New Demands In Syria Talks

By William Claiborne
JERUSALEM — Injecting a new element into the negotiations to defuse the Syrian-Israeli crisis, Israeli Prime Minister Menachem Begin demanded Thursday that Syria remove not only its surface-to-air missiles deployed in Lebanon, but also the newly installed missiles inside Syria near the Lebanese border.



Philip C. Habib

By William Claiborne
The U.S. Embassy in Tel Aviv declined to comment officially on Mr. Begin's statement, but a U.S. diplomat, when read a transcript of the interview, said: "It's pretty tough."

IRA Inmate Dies; Riots Break Out

Mr. McCreech's body was taken to his home village of Carnough, in South Antrim, where neighbors gathered in the streets to say prayers when they learned that he died just after 2 a.m.

INSIDE Reagan Meets With Schmidt

President Reagan assured visiting West German Chancellor Helmut Schmidt Thursday that the United States intends to engage in meaningful talks with the Soviet Union later this year on limiting nuclear arms deployment in Europe. Page 2.

U.S. Reviews Bribery Rules

The Reagan administration has proposed a significant relaxation of the 1977 Foreign Corrupt Practices Act, which was designed to prevent American companies from bribing foreign officials, claiming the legislation was making it difficult for the United States to compete in foreign markets. Page 15.

Finance and Investment in U.S.

A survey of finance and investment in the United States, a special supplement, appears on Pages 78-145.

TOMORROW

A special supplement on the world's arts and antiques markets and trends. Among the reports: Hong Kong emerges as the art auction capital of the Far East... Americana art is now big business in New York... surveys from Paris, Geneva and London.



UNDER GUARD — Italian policemen escort Mehmet Ali Agca, the Turk who allegedly wounded Pope John Paul II. Mr. Agca was transferred Thursday from police headquarters to solitary confinement in a Rome jail. Story, Page 4.

Banks May Hold Up Poland Debt Package

By Carl Gewirtz
PARIS — Western commercial bankers are beginning to doubt that the hoped-for rescheduling of Poland's 1981 bank debt, totaling about \$2.37 billion, will be ready for signing by the target date of the end of June.

Polish former premier suspended from party

Poland in default and trigger an international financial crisis that everyone is hoping to avert.

Chase Manhattan Bank and Citibank

Chase Manhattan Bank and Citibank are at the center of two issues that have seriously divided the banking community and slowed the pace toward a rescheduling agreement.

While bankers envy the good luck of Citibank

While bankers envy the good luck of Citibank and the other institutions participating in that particular loan in getting paid, there is as yet no agreement to alter the starting moratorium date to suit that syndicate.

Other details on which there appear to be no international agreement

Other details on which there appear to be no international agreement (Continued on Page 17, Col. 1)

953 National Figures Tied To Italy Masonic Scandal

By Henry Tanner
ROME — Italy is being rocked by a scandal that could dwarf all the many other scandals that the country has endured for the last 30 years.

Illegal Export

Mr. Calvi has been a member of Masonic Lodge P-2 and a close associate of Mr. Gelli, and is a one-time friend of Mr. Sindona. One of the charges against Mr. Calvi is that his banks illegally exported large sums of capital from Italy, an accusation that arose when police raided Mr. Gelli's country house in Arezzo, Tuscany, last March.

Another name on the list of Lodge members

Gen. Raffaele Giudice, former commander of the Guardia di Finanza, the paramilitary force specializing in border control and anti-smuggling operations. Gen. Giudice is in full connection with a huge petroleum tax evasion scandal that broke last fall.

Also on the list are about 20 officers of the Carabinieri

Also on the list are about 20 officers of the Carabinieri, Italy's most prestigious police corps. Gen. Carlo Dalla Chiesa, one of the ranking generals of the Carabinieri, was listed as a candidate for membership in the lodge. He was quoted as saying he had applied in the hope of finding out if any Carabinieri were in the lodge.

Gen. Giovanni Grassini, the chief of SISDE

Gen. Giovanni Grassini, the chief of SISDE, the secret intelligence and security service of the Interior Ministry, and Gen. Giuseppe Santovito, the head of SISMI, the military security organization of the Defense Ministry, are on the list of members of Lodge P-2 submitted to Premier Forlani by investigating magistrates in Milan.

PLACE YOUR QUICKLY

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Kers Walk Out

About 1,500 European Community civil servants walked out in a solidarity strike on Thursday in a protest against the one-day protest sessions of the EEC.

U.S. Sent Mercenaries Into Laos to Seek American Prisoners

George C. Wilson and Art Harris
WASHINGTON — The United States financed a secret force of mercenaries who earlier this month to determine if they were imprisoned in a jungle camp there, as reported by satellites and spy planes had

There has been a steady flow of reports about Americans being held against their will in Southeast Asia since the flow of Vietnamese from Southeast Asia began. The U.S. government regularly, and with great care, has and will continue to check the validity of each of these reports. The United States can be expected to take appropriate action if any of these reports proves to be true. Top priority effort will continue to be assigned to investigate these efforts.

The families of servicemen missing in the Vietnam War have continued to believe that some of their relatives are still alive and are being held captive in Southeast Asia. They have pressured the government repeatedly to try to locate the men and rescue them.

The National League of Families of American Prisoners and Missing in Action in Southeast Asia has complained that the U.S. government has failed to press hard enough to find missing Americans.

2,528 Unaccounted For
By the Pentagon's count, there are 2,528 Americans unaccounted for in Southeast Asia, including 1,237 listed as missing in action. Of that total, 560 U.S. airmen went down in Laos, according to the Pentagon, with 295 of them believed killed in crashes.

Of the other 265, 14 have been released alive as prisoners of war through Hanoi. Laos also has sent the United States the remains of two other U.S. servicemen.

The mystery over what happened to the unaccounted-for Americans in Laos has lent credence to reports that some are still being held prisoner there. The Seattle Post-Intelligencer in February quoted Sayta Phounsavan, a former Royal Lao Air Force pilot, as saying on the basis of refugee reports, "There are today 40 or 50 Americans, most of them pilots, who were shot down over Laos during the war, being held prisoner there now."

Presumably on the basis of such reports, the U.S. intelligence community intensified its overseas spying on Laos. Sources said satellite photos showed shadows on the ground in the Laotian camp that some interpreters believed were too big for Asians.

Furthering this theory were pictures of tools that, to photo interpreters, looked too long for Asians but just right for Caucasians.

Also, the photos suggested that the word B-52 had been spelled out with bodies or logs within the camp during one pass of a satellite or SR-71 Blackbird spy plane. One theory was that this was a signal from desperate American POWs imprisoned as slave laborers in the jungle.

Other overhead pictures, sources said, showed what looked like a guard tower and earthen barriers to keep people in what appeared to be a prison compound.

However, this overhead evidence was not conclusive enough to justify a risky military action like the Iranian rescue attempt. Even if there were Caucasians in the compound, as the photos of shadows and tools indicated, they might be Soviet advisers there of their own free will. Rescuing them would be a tragedy.

It was this lack of hard evidence that spurred the U.S. effort to recruit and train a team of Asians to go overland from Thailand into Laos to get a close look at the captives. Sending in a U.S. team would have caused an international storm of protest if it were detected.

Just how the team of Asians was recruited and how much they were paid could not be learned. But sources indicated that the fee was handsome and the training extensive.

The Asian mercenaries apparently ran into difficulties shortly after they got into Laos, causing them to delay their mission.

statement personally approved by Deputy Secretary of Defense William P. Clark, the Pentagon was quoted as making efforts to free Americans still being held captive in South-

# Socialists Maintain Informal Manner As Power Passes in Paris Ceremonies

By Joseph Fitchett  
International Herald Tribune

PARIS — In a day charged with political symbolism, the installation ceremonies Thursday for President Francois Mitterrand in the Elysee Palace marked the moment when French Socialists returned to power after a generation in opposition.

"I haven't set foot here since 1953," said a Mitterrand aide, refer-

ring to the days when Vincent Auriol, a Socialist, was head of state. Since then, the aide has declined the rare invitations to functions at the Elysee, the palace near the Champs-Elysees that houses the French presidency.

Under former President Valery Giscard d'Estaing, the Elysee was run with stylish protocol that critics labeled monarchical. The Socialists, while often sounding slightly

dazed at finding themselves in surroundings identified with the political enemy Thursday, made a point of maintaining their informal manner and businesslike dress — in contrast to the emphasis on elegance under recent French governments.

Mr. Mitterrand last called at the Elysee three years ago when Mr. Giscard d'Estaing invited him for a chat that was part of a short-lived attempt to drain some asperity from French party rivalries.

This time the Socialists issued the invitations — French high officials and politicians whose presence was dictated by protocol, local representatives from Mr. Mitterrand's electoral district and other fellow Socialists and their wives. On Mr. Mitterrand's personal guest list there were no members of the defeated president's camp — nor any Communists, despite the party's electoral support.

As he moved along a U-shaped line accepting congratulations, President Mitterrand paused deliberately in front of the last guest — Pierre Mendès-France, the French non-Communist left's elder statesman.

Mr. Mendès-France, who started his political career under Prime Minister Leon Blum in the Popular Front government in 1938, was the outstanding center-leftist leader during the revolving-door governments of post-war France. He earned international respect as a politician who disengaged the French Army from Indochina and an economist who helped modernize France.

Mr. Mendès-France, like Mr. Mitterrand, became an uncompromising opponent of De Gaulle — a stance that for years seemed to condemn French Socialism to the political wilderness.

Thursday, beneath the Elysee chandeliers and in front of the television cameras, the two men exchanged a few quiet words, then a solemn Gallic embrace. Mr. Mendès-France's eyes brimmed momentarily before Mr. Mitterrand moved slowly on.

France has no formal oath-taking in its presidential inauguration. After a working session with Mr. Giscard d'Estaing, Mr. Mitterrand entered the crowded reception room alone to hear a formal proclamation of his election.

He then was made Grand Master of France's Legion of Honor but did not don the Grand Master's golden chain. He, like Mr. Giscard d'Estaing seven years ago, chose to be inaugurated in a business suit, not the formal attire needed to wear decorations. Ducking aside from the TV cameras, Mr. Mitterrand signed a leather-bound act of investiture as the Legion's head.

# Mitterrand Takes Office As President of France

(Continued from Page 1)

May 10, 1981," said Mr. Mitterrand, referring to the date of his election. "It was hope. May it become the thing best shared in France."

But the new president emphasized his firm attachment to Socialist ideals. "In today's world," he said, "what greater duty could there be for our nation than to achieve the new alliance of Socialism and freedom, what greater ambition than to offer it to tomorrow's world?"

**Developing Countries**

He also asserted that his government would speak out strongly in favor of developing countries. "France will say with force that there cannot be a real international community while two-thirds of the planet continues exchanging their people and their assets against hunger and scorn," he said.

Shortly before 12:30, Mr. Mitterrand, accompanied by Mr. Mauroy, was driven in an open car from the presidential palace to the Arc de Triomphe, where he lay a wreath at the tomb of the Unknown Soldier. On the way, along the Champs-Elysees, the president waved to tens of thousands of well-wishers who had turned out despite rain showers.

In a departure from the rigid formality of the Giscard years, there was hardly any protocol at the Arc de Triomphe. The guests — old friends of the president, former members of the Resistance like himself, foreign Socialist politicians, writers and artists — lined up wherever they could find a place and waited to shake Mr. Mitterrand's hand. Many of them joined the president later for lunch back at the Elysee Palace.

The varied list of foreign visitors included former West German Chancellor Willy Brandt, former Portuguese Premier Mario Soares, the Greek film actress Melina Mercouri, and the American playwright Arthur Miller.

In the afternoon, Mr. Mitter-

rand paid the traditional visit by a new president to the Paris City Hall, where he was received by the neo-Gaullist mayor, Jacques Chirac, who has emerged as the leader of the conservative opposition.

In a brief speech, the mayor reminded Mr. Mitterrand that he was elected under the political system created in 1958 by De Gaulle, who conceived the post of president as "a national arbiter at the head of the state."

"The cohesion of French society is more necessary than ever," said Mr. Chirac. "Respect for others and realism in action are also more necessary than ever."

Responding to the veiled criticism, Mr. Mitterrand asked the mayor: "Who better than the president... can express the profound desire of our people for unity?"

Leaving the City Hall, the new president walked across the Seine and up toward the Pantheon along the Boulevard Saint-Michel — the scene of fierce battles between students and police during the May, 1968, upheavals that brought the country to a standstill. The crowds of mainly young people chanted "Mitterrand! Mitterrand!" Paper strips released from apartment buildings almost turned the occasion into a ticker-tape parade.

Mr. Mitterrand entered the vault of the Pantheon alone, to the strains of the "Hymn to Joy" movement of Beethoven's Ninth Symphony, and deposited small wreaths at the tombs of Moulins, the Resistance fighter, and Socialist leader Jaures.

A school holiday was decreed to allow students to view the day's ceremonies on television. This is the first time since De Gaulle established the Fifth Republic that there has been a normal succession of presidents. De Gaulle quit abruptly in 1969 after failing to get popular backing for a referendum. Georges Pompidou died in office in 1974. And Mr. Giscard d'Estaing took over a month later after narrowly defeating Mr. Mitter-

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WARM GREETING — Soviet President Leonid I. Brezhnev is welcomed to Tbilisi, Georgia, by V. Andzhaparidze, who has the title of People's Artist of the USSR, on his arrival Thursday for the 60th anniversary celebrations of the Communist Party in the Soviet region.

# Reagan Assures Schmidt on Arms Talks

WASHINGTON — President Reagan assured Chancellor Helmut Schmidt of West Germany on Thursday that the United States intends to engage in meaningful talks with the Soviet Union later this year on limiting nuclear arms in Europe.

Mr. Reagan made the promise at an elaborate White House welcoming ceremony as Mr. Schmidt opened a two-day official visit here. The president used the occasion to note that this is the 20th anniversary of the Berlin Wall.

"One side of the wall, people live in dignity and democracy; on the other side, in domination and defeat," Mr. Reagan said.

Mr. Schmidt, in turn, expressed concern about the "serious international situation," referring in particular to the continuing Soviet arms buildup and Moscow's occupation of Afghanistan.

To face these challenges, he said, the allied countries must pursue a policy of "determination, joint action, consistency, predictability and reliability."

Mr. Schmidt also expressed satisfaction that Mr. Reagan had recovered well "from the treacherous attempt on your life on March 30."

The two leaders spoke after Mr. Schmidt was welcomed with a 21-gun salute and a marching file and drum corps. A large crowd, with many West German and U.S. flags on display, witnessed the ceremony on the White House south lawn.

Mr. Reagan reaffirmed the U.S. commitment to support a December, 1979, NATO decision to deploy 572 Cruise and Pershing-2 missiles in Western Europe starting in 1983. In that same decision, the NATO countries also called for negotiations with the Russians aimed at reducing nuclear weapons deployment in Europe.

**Schmidt Under Pressure**

Mr. Reagan assured Mr. Schmidt that the United States is committed to the negotiations but gave no hint that he would be willing to advance the timetable for opening them. The administration has promised talks with Moscow before the end of the year but has refused to set a more precise time.

Mr. Schmidt, under heavy pressure from the left wing of his Social Democratic Party, was expected to seek a U.S. promise to start the negotiations by early fall although it was not clear how hard he intended to press Mr. Reagan on this point.

Mr. Schmidt also has been concerned about high U.S. interest rates but an administration official said Wednesday the chancellor was not likely to receive much encouragement on that subject during his visit. He made no reference to the economic issue at the arrival ceremony.

The high interest rates are aimed at slowing inflation in the United States but the West German leader maintains they are having a negative impact on European economies. After years of solid performance, the West German economy is now afflicted by low growth rates.

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# Bonn Minister, Aide Probed for Tax Off

BONN — Authorities have started an investigation into suspected offenses involving the West German economics minister, Otto Dorf, and parliamentary deputy Hans Gattermann, both members of the Free Democratic Party, the city's office said Thursday.

The prosecutor's office said that charities close to the Free Democratic Party were believed to have reduced their taxes by falsely declaring they were spending money on socially beneficial activities. They saved appeared to have been transferred to organizations about which they paid it back to the FDP.

Mr. Lambdoff denied that any illegal financial transactions took place while he was treasurer from 1968 to 1977 or during Mr. Gattermann's period of office. "I await the result of the investigation equanimity," he said in a statement.

# Bonn Opposes EEC Curbs on Farm Prod

BRUSSELS — West Germany has come out strongly against curbs on imports of agricultural products into the European Community as a way of controlling the costs of EEC farm policy, community sources said Thursday.

Bonn, they said, has especially rejected suggestions for tighter controls on such products as tapioca and corn gluten feed, a meal feed. But it has also called for a crackdown on EEC farm subsidies which takes 70 percent of the community's budget — mostly paid by West Germany.

Bonn was said to urge that the community rely more on market to control farm expenditures, and that farmers be forced by price mechanisms to stop producing costly food surpluses.

# WORLD NEWS BRIEF

**Flight Controllers Cripple London's Air**  
The Associated Press

LONDON — Hundreds of flights at Britain's two major inter-airports were canceled Thursday as air traffic controllers staged longest and most widespread walkout in the civil servants' pay drive.

With the series of rolling strikes in its 11th week, weary of London's Heathrow Airport reported about half the normal 800 day were landing or taking off.

About two-thirds of the 110 scheduled flights in and out of London's other major airport, were canceled. For the first time in a controllers, instead of staging the half-day walkouts that have airports about twice a week for the last three weeks, launched a shift, 13-hour walkout.

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# S. Korea Frees Dissident's Wife, Ex-Polit

SEOUL — The wife of political dissident Kim Dae Jung said she was released Friday from the partial house arrest imposed as a declaration of martial law in South Korea.

Her husband, who was one of the first to be detained when law was clamped down last May, is serving a life jail term after being found guilty last January of sedition. Mrs. Kim said she was informed Thursday night that she would be allowed freedom of movement Friday. No reasons were given.

Police also released Kim Young Sam, former leader of the New Democratic Party, from the house arrest in effect since the declaration of martial law, his aides said.

# China Sends Naval Force Toward Vietnam

PEKING — Chinese warships steamed toward the coast of Vietnam Thursday and Peking warned its neighbor of "due punishment" in the event of fighting along their common border.

In its toughest warning since the two nations fought a month-long war in 1979, the Chinese news agency said that if the Vietnamese stop armed incursions, "you must bear the entire responsibility for the consequences arising therefrom."

The warning coincided with diplomatic reports in Hong Kong that Chinese naval task force of three guided missile destroyers, a tanker and a support vessel was moving into the Gulf of Tonkin off the coast of Vietnam.

# Spy Issue Hinders Lebanon Talks

## U.S. Reported to Urge Alternative to Israeli Overflights

By John M. Goshko  
Washington Post Service

WASHINGTON — Efforts to achieve a negotiated settlement of the Lebanon crisis are hung on the problem of getting Israel to cut back overflights of that country in exchange for the United States providing another means of gathering intelligence, according to diplomatic sources.

The sources said that Israel has not yet decided whether U.S. intelligence-gathering substitutes, such as satellite reconnaissance, would adequately meet its security needs for information about deployment of Syrian military units and Palestine Liberation Organization forces in Lebanon.

Resolution of that question is considered crucial to the chances of working out an agreement between Israel and Syria to defuse the crisis and restore the delicate balance that existed in Lebanon until late last month, when the Syrians deployed anti-aircraft missiles there after two Syrian helicopters were downed by Israeli jets.

**Pravda Criticizes CIA on Oil Data**  
The Associated Press

MOSCOW — Pravda said Thursday the CIA should "eat its hat" for its admittedly erroneous prediction that the Soviet Union would be a net importer of oil by 1985.

The CIA said earlier this week it had scrapped a 1977 forecast that Soviet oil production would drop, forcing the Kremlin to look abroad for petroleum supplies — including the possible conquest of countries in the Middle East.

Pravda said the United States used the CIA prediction to invent "every possible kind of sinister scenario of the Soviet threat of capturing the oil in the Middle East."

**Jordan's King to Visit Moscow This Month**  
Reuters

MOSCOW — King Hussein of Jordan will visit Moscow this month, his first trip to the Soviet Union since 1976, Tass said Thursday.

Though traditionally pro-West, King Hussein holds views on the Middle East that are akin to those of Moscow, opposing the Camp David peace agreements between Egypt and Israel.

**Spain Law Gains Sweeping Power in Emergency**  
The Associated Press

MADRID — The Cortes has approved a law, the Spanish government says, that gives the government sweeping powers to arrest at will, close newspapers, suspend business and industry, suspend the Spanish constitution, prohibit strikes and other actions.

With only the Communist Basques objecting, the law that sets out some measures more than any used by Franco, was approved Wednesday by Premier Leopoldo Calvo Sotelo's ruling Union Democratic Center and the opposition Socialist Party of Gonzalez.

The law was passed amid allegations that Mr. Calvo Sotelo's government was considering drastic measures to try to suppress separatist terrorism, confirmed reports from sources said that some 2,000 or so already sent to northern Spain.

The law gives the government the power, after prior approval of the lower house of parliament, the right to arrest without charge for 10 days "suspected of trying to alter the order." A judge can extend the arrest for an additional 10 days.

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**Mackinlay's LEGACY SCOTCH WHISKY 12**

Five generations of Mackinlay's have put their name on...

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اسماء لاسماء





ms West Germany... ng Turk... 4,000 members... in West Germany... G. Cupic... The National Action... The Gray Wolves... Poland's Form... s Suspended... Hospital Room... a Solitary Cell... Art Mart... Upward... ghghan, Tru... re Case of Cholera... ars WANTED... PUBLISHER

# Chin-san Long: '89, He Clicks Away

G. Cupic  
Hopping around the... Chin-san Long was... 1989, He Clicks Away

Why didn't he become a painter? "I liked the idea that with photography one can multiply the same picture many times. It's a perfect art form for communication. It's part of reality and every picture has the personal touch of the artist. No words can explain certain visual experiences, yet photographs show it all to all people, often with no need for translation."

Nevertheless, Chin-san Long appreciates the approach of Western photographers who try to dissociate photography from painting. "Although different, I like their way of presenting reality the way it is, without tempering it. The different cultures combine very well, for the benefit of both."

Some of the 15 children of his first two marriages still live in mainland China but, "It has been such a long time, so much has changed, things and people. I don't think I would feel very comfortable with my memories and that new reality."

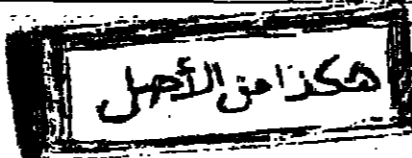
Busy Paris Schedule  
In Paris, he gets up at 6 a.m., goes out for walks, takes pictures, visits museums, exhibitions, flea markets and parks, tastes every dish on the hunch table, asks thou-

modifications, are perfectly applicable to photography," Chin-san Long said. He uses them masterfully: concept, natural appearance; composition and placing; copying classic masterpieces (technique); use of brush (contrast, in photography) and color. His photographs seem to have just come from a painter's brush.

To achieve this, sometimes I have to make composite pictures, taking parts of three or four negatives to create a picture that expresses my vision. Sometimes I come across landscapes that are just perfect, but technically impossible to photograph. Ansel Adams uses a small aperture while I would take two pictures with different lenses and reconstruct the scenery in a laboratory.

Asian Photographic Art, of which he is now the honorary president. Since the early 1930s, he has exhibited on five continents, but he is little known to the photography public. "Sometimes the cultural difference is just too great," he said quietly.

Chin-san Long achieves painting effect in composite picture.



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# 'Quartet' and 'Chariots of Fire' Portray Paris of '20s

By Thomas Quinn Curtiss  
International Herald Tribune

CANNES, France — The Paris of the 1920s is the setting for two of the films contending for top prizes at the Cannes Film Festival. "Quartet" by James Ivory (of "Shakespeare Wallah" and "The Europeans") is an adaptation of Jean Rhys' semi-autobiographical novel about an English chorus girl awash in the company of expatriates and starchy drifters of post-World War I Montparnasse. When her Polish husband is jailed for art swindles, she falls into the apathy-inducing clutches of a wealthy British dilettante and his complacent wife. The post-poor, automatic Englishman is an obvious caricature of Ford Madox Ford and is so played by Alan Bates, down to a likeness of mustaches, while the lost London flapper has been transformed into a delicate, hypersensitive beauty from the tropics for interpretation by Isabelle Adjani.

Persuasive Period Scene  
Ivory is a distinctive screen stylist and has reproduced the period scene with persuasive detail and mood — the third-rate Left Bank hotels, the cabarets and soires of the time with their brittle chitchat and brawls, and the serenity of quondam Paris — without grotesque exaggeration. Treatment and subject are in such close harmony that the film resembles a movie of the era. Without its dark undertones and dead-end finish, it might — with its show girl courted and betrayed by a rich idler — be taken for a Clara Bow vehicle engineered by Clarence Badger. Though minus the garter-snapping and saxophone wails of the latter, it voices the jazz-age hoopla "straight" and emerges as an amusing comedy-drama despite its melancholy chords.

"Chariots of Fire" from Britain has the 1924 Olympics in Paris as its climax. In semi-documentary manner it traces the rise of two champion runners, Harold Abrahams and Eric Lid-

deil, and much of the footage is devoted to their athletic training as Cambridge undergraduates. Both defied authority, Abrahams, over the objections of the dons, engaged a professional trainer in preparing for the Olympics, while Liddell, a rigid Presbyterian Scot, insisted despite the urging of the Prince of Wales that the Olympic schedule be altered as he refused to run on a Sunday.

The film is competently devised and acted but excessive in length and exacting reproduction save perhaps to ardent sports fans. An attempt to rescue it from threatening monotony is the introduction of Abrahams' courtship of a Gilbert-and-Sullivan songstress.

There is remarkable acting by Trevor Howard as the madman with a mission and by Mick Ford as his inspired heir. "Light Years Away" is something both out of and above the ordinary, the initial production of a new team, Pierre Heros and Jacques Hustin.

"Heaven's Gate" Again  
Michael Cimino's "Heaven's Gate," rejected in two differing versions by critics and public in the United States, has come to Cannes in hope of a more appreciative reception and was entered in competition to try to bag some honor or other to aid its European release. Its hopes would seem vain, judging from the

groans of those who sat before it here, stupefied by boredom and unable to doze because of the racket it makes with a barn dance on roller skates and shooting-gallery fun.

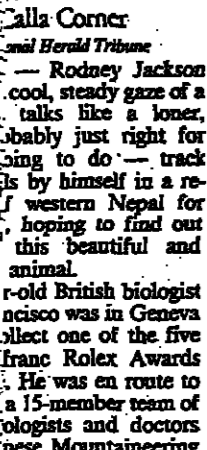
Intended as an epic western with sociological emphasis — it has to do with the battle of rich Wyoming landowners and impoverished immigrants — its screenplay suggests Zane Grey struggling to rework an Upton Sinclair protest novel into a salable scenario.

"Heaven's Gate" may come and go, open and close and reopen again, but the Cannes festival motto remains "nil desperandum." The festival is as filled with bright promises for the morrow and next year as it is with duels.

Airborne Announcements  
The sun never sets over the sparkling sea before a squad of airplanes has made repeated flights bearing banners announcing that there is to be a "Superman '81" and that the remake of the century is to be that of "Gungui Din," to cost \$20 million.

From less blatant sources we learn that EMI is to spend \$60 million on its forthcoming production program, which will include Robert de Niro in "Weeks" — about a convict who is granted parole and would make something of himself in the outside world; "Frances," the biography of the Hollywood actress who battled alcoholism and insanity, with Jessica Lange in the role; and a Mel Brooks production. John Lahr's biography of the murdered English dramatist Joe Orton, "Prick Up Your Ears," is to be filmed with Terry Ellis as its producer and Stephen Frears as its director, after a script by Alan Bennett, and it will be impossible to ouster Ken Russell from making "The Beethoven Secret" with Anthony Hopkins as the composer. Meanwhile, in the more immediate future, we shall have here "From Mao to Mozart," a record of Isaac Stern's journey to China, while the surprise film — the Polish authorities permitting — is Andrej Wajda's latest, "The Man of Steel."

# Tracking the Elusive Snow Leopard



Rodney Jackson

calls Corner  
Rodney Jackson cool, steady gaze of a talks like a loner. Ably just right for going to do — track by himself in a re- western Nepal for hoping to find out this beautiful and animal.

When Jackson starts his search he will be taking with him, besides a tent and antibiotics for himself, collars fitted with radio transmitters that he hopes to fit on the snow leopards. The plan is to trap and tranquilize the animals, then set them free and track them in the snow. "I won't have to be within a mile or so." As snow leopards are predominately white, nocturnal, and jump from rock to rock, he admits that he will be in for quite a few active nights.

Snow leopards are known to be habitual users of trails (which has aided in their being hunted), to leave recognizable spoor, to be monogamous and share the rearing of young, but not much else is known. "My main interest is in their ecology, how many square miles they need and are they territorial. Then I'm going to develop a management plan in Nepal and encourage more research so that the snow leopard won't have to live in a zoo to survive," Jackson explained.

There are perhaps 3,000 to 10,000 spread among Afghanistan, Pakistan, India, Nepal and China, but that there are only 200 to 600 left in the Himalayan region, which is where they have the best chance of survival.

The species is threatened because of its luxurious, spotted white fur (even though it's on the endangered species list), the glory mountain tribesmen attach to killing the animal, the encroachment of pasturage on the animal's natu-



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# U.S. Insurance Companies Aiming at World Market

NEW YORK — A surge in foreign investment in the United States and the push by U.S. insurance brokers to expand internationally are opening a new area of growth for some brokerage firms.

U.S. insurance brokers have been gradually expanding their foreign networks since the end of World War II. But the move to merge with the major London brokers, thus aligning the two dominating markets in the field and forming what is commonly known as the "megabroker," is a recent trend.

In 1978, the U.S. company Frank B. Hall acquired Britain's Leslie B. Godwin. But perhaps the most dramatic acquisition took place last year when the largest U.S. brokerage firm, Marsh & McLennan, took over C.T. Bowring & Co., a diversified financial services company and Britain's largest insurance broker. After paying \$569 million in cash and stocks for the company, M & M became the first U.S. company to gain access to the world's only major insurance underwriting exchange, Lloyd's of London.

### Worldwide Offices

This takeover followed a decade of purchases of smaller foreign brokers and foreign equity investments by M & M, and highlights the company's basic goal: to get more foreign corporate clients, to improve its ability to serve U.S. multinationals through its subsidiaries abroad and to be closer to its foreign underwriters.

M & M has 521 offices — 186 in

Britain, 167 in the United States and the rest mostly in the developed world — according to the company's senior vice president and area manager for Europe, Harold Talbot.

Although the Bowring takeover presented some problems for M & M — some key employees quit after the acquisition — the company's revenues have increased substantially. Operating revenues rose 28 percent, from \$330.6 million in 1979 to \$677.3 million in 1980, and income rose 23 percent, from \$82.2 million in 1979 to \$100.7 million in 1980.

### Production Sources

"There has been an immense increase in worldwide insurance revenues in the past 10 years, basically because of the company's foreign acquisitions policy," Mr. Talbot said. M & M's foreign operating revenues rose from \$39.8 million in 1975 to \$65.2 million in 1979 and \$153.5 million last year.

A result of this growth outside the United States is that the company's associated firms are also broadening what they can offer multinational clients, Mr. Talbot said.

Edgar Clark, a vice president in the international division of the U.S. broker Alexander & Alexander, made the same point: "In the past, we relied on our foreign friends more as service operations. Now they are sources of production."

Alexander & Alexander, the second-largest U.S. insurance brokerage firm, has also been expanding

its worldwide operations. It operates in 44 countries through wholly owned offices, joint ventures and correspondent relationships.

In 1979, it acquired 106 new international clients, and last September it was chosen to manage insurance coverage for the \$10-billion new Jidda International Airport in Saudi Arabia. But perhaps the company's most important development was its decision last December to merge with the internationally known London broker, the Sedgewick Group Ltd.

Although the merger is planned for next year, it will probably take five or six years before it is operational, Mr. Clark said. The merger, he said, will eliminate the competition between the two firms, create new business and bring to each company the other's specialized knowledge — Sedgewick's in wholesale insurance broking and re-insurance, A & A's in technological techniques such as computer systems and self-insurance claim operations.

### American Approach

According to Mr. Clark, American insurance brokers are superior to non-American ones in non-insurance related services, self-insurance, contractual transfers and their approach to risk management.

"The average non-American approach to risk is buying more insurance. Our approach is that, if a company is sure to have a loss, it should be quantified and controlled. American brokers are also less interested in boosting the American insurance market

abroad than exporting American insurance techniques to foreign countries." He said that this probably explained why developing countries in the Middle East, for example, "are more open to American brokers than British ones, who until recently have not necessarily been geared to their needs."

The merger between A & A and Sedgewick, he said, will also "give us the opportunity to spread risk further internationally because of the greater participation of the insurance companies we both deal with, and it will affect our ability to serve foreign business in the U.S."

"Reverse flow business [foreign companies investing in the United States that need insurance policies] has been growing by leaps and bounds, particularly with the increase in foreign takeovers of U.S. companies in the past few years," said Rudy Porteria, vice president of the international department of Johnson & Higgins, the third-largest U.S. insurance brokerage firm.

The growth really began with the oil crisis in 1973, Mr. Porteria said. He estimated that there was a sevenfold to tenfold increase in the number of foreign clients his company had in the United States during that period.

### 'No Leap'

Mr. Clark of A & A said, "We've been doubling our number of foreign clients in the past two years and see no leap. Foreign business in the U.S. is the most rapid area of growth in our U.S. business today."

Foreign business accounts for about 5 percent of A & A's total business, and foreign business in the United States has grown from about \$1 million in commissions two to three years ago to about \$6 million today, he said.

The U.S. companies have had to adapt to their new dealing because insurance methods can vary widely from country to country. In Europe, Mr. Talbot of M & M explained, "workers' compensation is usually covered by some aspect in the national social security system; here it is insured privately. No-fault auto insurance is common in the U.S., not in Europe. Loss prevention is more pervasive here, with vast differences in premiums. And our whole approach to product liability and liability of any kind is very different."

### Less Coverage

He noted that many U.S. lawyers take liability cases on a contingency fee basis, taking a percentage of whatever a court awards the injured party, but nothing if the court decides against the party. "In Europe you must pay the lawyer whether you win the case or not. So you are taking a greater risk by going to court," he said.

According to Mr. Clark of A & A, European companies tend to take less coverage in certain areas than U.S. companies. "It takes them a few years — until they are hit with a loss — before they take full coverage," he said, noting that Japanese as well as Middle Eastern clients have generally been more open to U.S. insurance practices.

To deal with the influx of foreign business in the United States, U.S. insurance brokers and large international insurance companies are improving their international services. At Johnson & Higgins, Mr. Porteria said, "we have people in each of our offices trained to deal with foreign business and we are developing a new department to deal with reverse flow business. This business is now passing through our international department in New York, where we have special teams devoted just to it."

A private insurance company, American International Group, has created a department to take care of multinational insurance needs on a package basis. The vice president for global accounts, Arthur Phillips, explained, "Before, a large international company would often see four or five insurance companies in the U.S. and abroad to take care of insurance needs. Now the company can see us for all of them and it will be less expensive, with fewer gaps in coverage."

William Crowley, a vice president of AFIA Worldwide Insurance, another U.S. insurance company, said: "By concentrating your buying power with one company, losses in one country won't hike up overall insurance premiums as much as with two separate programs from two different companies. There is a new global concept in insurance coverage which international insurance brokers and companies are best equipped to handle."

—LINDA BERNIER

## Accounting Practices Undergoing Changes

(Continued from Page 75)

records as are necessary to support the information shown in tax returns.

This contrasts with the common European requirement for a detailed chart of accounts and specific types of accounting records. The controversial U.S. Foreign Corrupt Practices Act of 1977, which prohibits bribery by companies abroad, also requires public companies to have a system of internal control that meets specified objectives. Briefly, the law requires all public companies to devise and maintain internal control systems sufficient to provide reasonable assurance that assets are safeguarded and transactions properly authorized and recorded, and to keep reason-

ably detailed records that accurately reflect the company's financial activities.

Except for those companies whose stock is listed on a stock exchange and those companies whose stock is sold over the counter and that have more than 500 shareholders and assets of more than \$1 million, most companies are not required to have annual audits. This contrasts with the more extensive statutory audit requirements in most European countries, which presently result in many private companies being audited and which will be expanded considerably under the Fourth Directive.

Various government regulations and private business practices in the United States are such, however, that most organizations of any size do have annual audits. For example, even small businesses may be asked to provide audited financial statements to banks and other creditors.

With the exception of the United Kingdom and the Netherlands, the response in Europe to the financial reporting challenge posed by a high level of inflation has been limited. In the United States, it has consisted of an emphasis on the use of inflation-adjusted accounting for all parties.

Ernst & Whinney surveys currently required disclosure of annual shareholders reports on impact of inflation on historical cost results. It showed inventory down 40 percent and return equity down 50 percent, which illustrates dramatically the need for caution when analyzing financial statements of U.S. companies. There are many other differences in accounting practices and disclosures between Europe and the United States, which is generally not acceptable in Europe, dated financial statements; no currency translation practices; deferred taxation. While these differences complicate the investment analysis process, their effect generally is quantified by both European and U.S. accounting principles and their impact assessed considering an investment in United States.

In conclusion, while it is important to be aware of differences in accounting and auditing practices that exist between the United States and Europe, it is equally important to recognize that the quality of financial information is dependent on a company's management and its financial policies and practices. If the company tends to be conservative in financial policies and practices, has qualified staff and a sound system of internal control, it is to have very useful and reliable financial reports. Where a company lacks these capabilities, the support of management and the quality of its accounting information will suffer accordingly.

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# Opportunities Seen in the Far West

### With its 22 million citizens and gross national product larger than those of all but a handful of nations, California is home territory for many of America's most innovative and best-managed companies.

ANGELES — Investors familiar with the phenomenon of the regional boom have been treated to a series of stories about the New South, the thriving West, and more recently, the Rocky Mountain energy boom. So far they haven't heard about the continuing boom in California.

California's 22 million citizens and gross national product larger than those of all but a handful of nations, California is home territory for many of America's most innovative and best-managed companies. The state's economic growth is a major factor in the nation's fast-growing industries, electronics, and investment, are concentrated in the leading companies of two hot areas of investor interest, home and genetic engineering.

Mr. Hart applies some of the same logic to some of the Western oil service firms, like Moran Energy, a highly profitable contract driller, and Gossouree, Inc., a leader in seismic technology. Another analyst, Edward S. Zaplatel, with San Francisco's Sutro and Company, likes Atlantic Richfield as well as Los Angeles-based Union Oil, which has a strong position in natural gas production.

Meanwhile, knowledgeable investors are employing the same contrary reasoning to highlight the potential for gain in the shares of the California semiconductor manufacturers, recently lagging because of expected announcements of recession-related earnings declines.

Eli Sayegh, who follows the electronics companies for the Bateman firm, thinks that this is the purchase opportunity that occurs in every electronics-industry business cycle. For the moment, he acknowledges that the semiconductor manufacturers are suffering from overcapacity, decelerating sales growth and foreign competition.

There are other Western industry groups with securities that have already advanced in anticipation of an improved economic climate. The specialty retailers, for one, have drawn investors who are convinced that, given a Reagan tax cut and reduced inflation, consumers will soon have money to spend.

Jonathan Ziegler, senior investment analyst with Sutro and Co., thinks the discount drug chains such as Long's Drug Stores and Sav-on Drugs, as well as the do-it-yourself home improvement companies like Pay 'n' Pack stores and Standard Brands Paint will benefit and are attractive investments.

Meanwhile, another major California industry, the savings and loan institutions, have been under an even darker cloud. Since the thrift institutions are sitting on huge portfolios of low-interest home loans, while paying unprecedented high rates for their deposits, the conventional wisdom has been that the industry may eventually be a candidate for federal disaster relief.

Not so, argues Allan Bortel, vice-president for research at Shearson Loeb Rhoades Inc., in San Francisco. "The distress is mainly confined to the East," according to Mr. Bortel, the \$21-billion California S and L's have higher-yielding portfolios and by and large enjoy bigger revenues and faster net worth. As a matter of fact, Mr. Bortel said, there are even isolated West Coast companies like Golden West that are earning money in spite of a 19-percent prime rate.

As long as interest rates remain high, the stocks will be depressed, but when interest rates fall, they will rebound, and Mr. Bortel thinks it is time for investors to take positions in the stronger companies. His favorites are Great Western Financial and First Charter Financial, two of the largest in the industry.

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Drugs Chains  
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These companies carry premium price-earnings ratios because they are expanding on the strength of providing care for the fastest-growing segment of the U.S. population: the elderly. Similarly, companies servicing the mushrooming home entertainment industry are likely to carry rich growth stocks.

This aura applies to the traditional film companies like Columbia Pictures and MCA, both of which will eventually supply programming to the new cable TV market. It also applies to the cable companies themselves, including Oak Industries, a pay-television operator and manufacturer of TV hardware such as converters and decoders, and Cox Broadcasting, the fourth largest cable operator in the country.

Mr. Gomall, for one, sees these West Coast firms as prime beneficiaries of the home-centered communications revolution, which is based on the public's increasing willingness to pay for special television fare.

Too Compelling  
He thinks that the economics of the pay-TV industry are too compelling to ignore. "It costs as much," said Mr. Gomall, "to take a family of four to a movie as it does to get a basic cable service for a month."

Meanwhile, California, with its plethora of cable companies, is the bellwether for the rest of the nation. The other 49 states are only partially wired for cable reception. Eventually, as the entertainment capital of the world, the state will be a beneficiary of whatever growth the cable industry enjoys.

Cable is only one of several West Coast industry groups with solid growth possibilities. There are numerous emerging high-technology firms monitored by the financial community in search of the Texas Instruments and Xerox of the future. Late last year, shares of two of these companies, Apple Computer and Genentech, were snapped up in initial public offerings.

Apple, started about five years ago in a garage by two college dropouts, has seen its sales increase from \$8 million to \$117 million since 1978. And this year they are expected to exceed \$310 million. The executive in charge of West Coast investment banking for Dean Witter Reynolds Inc., Hans Severiens, has said that Apple Computer's achievement of profitable operations is virtually unprecedented. Even though the company has had quality-control problems with its year-old Apple III model and has yet to prove it can manage its growth, Apple sells for 80 times earnings.

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\$100,000,000

## STORAGE TECHNOLOGY CORPORATION

9% Convertible Subordinated Debentures Due 2001  
Interest Payable on May 15 and November 15 in Each Year

The Debentures are convertible into Common Stock of the Company at any time prior to maturity, unless previously redeemed at \$30.75 per share, subject to adjustment under certain conditions.

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All of these securities having been sold, this announcement appears as a matter of record only.

## Allis-Chalmers Corporation 1,200,000 Shares

\$5.875 Cumulative Convertible Preferred Stock, Series C

The 1,200,000 shares of \$5.875 Cumulative Convertible Preferred Stock, Series C, no par value, of Allis-Chalmers Corporation are convertible, at any time, unless previously redeemed, into Common Stock, par value \$1 per share, of the Company at the rate of 1.6667 shares of Common Stock for each share of Series C Preferred Stock (equivalent to a conversion price of \$30 per share of Common Stock), subject to adjustment under certain conditions.

- Lazard Freres & Co. The First Boston Corporation Bear, Stearns & Co.
Dillon, Read & Co. Inc. Donaldson, Lufkin & Jenrette Securities Corporation
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May 1981



## Figuring Out Worth of T-Bills Requires Higher Mathematics

By Michael Quint  
New York Times Service

**NEW YORK** — Investors, lured by high interest rates, have been going in droves into Treasury bills. The bills pay far more than a savings account, and the nearness of maturity — three months to a year — protects the investor against loss of principal. No matter how high interest rates go, and how much Treasury bill prices might then decline, the U.S. government guarantees that at the bill's maturity the investor will be paid the full face value of the bill.

As comforting as all that may seem, not everyone wants to hold a bill to maturity, nor does everyone get in on the ground floor of a bill sale. When faced with a need for cash, an investor may want to sell. When suddenly blessed with cash, an investor may want to lock quickly onto an issue that is already on the market. But how does one find out the value of one's holdings or the price of an outstanding bill?

The answer is not easy. Unlike the stock market, where the results of each day's trading are widely published, there is no exchange for the trading of Treasury bills. Once these bills have come out, the only market is over the counter, where a few dozen dealers connected by telephone buy and sell Treasury bills and other government securities. Among dealers, the price is a matter of bargaining between the buyer and the seller.

The individual does not deal di-

### And Seller Pays An Exit Charge

rectly with those traders, but the price he pays or sells at is closely linked to the over-the-counter market. Typically, the individual gives instructions to a salesman or registered representative who then confers with the government securities department to tell the investor the going rate.

At weekly auctions of three- and six-month bills, and at the monthly auction of one-year bills, the price an individual pays is set at the average of the competitive bids submitted by securities firms.

When the Treasury is selling \$4 billion of six-month bills, for example, it first sets aside an amount of bills equal to the "noncompetitive" tenders — which includes the vast majority of individual buyers — that it received.

#### Discount Rate

Then it awards the remaining bills to the competitive bids, starting with the highest prices offered and working its way down until it gets the full \$4 billion, including the portion set aside. The rate for the noncompetitive tenders is the average of the competitive bids accepted by the Treasury.

After buying a Treasury bill, the investor can follow the discount rate for the issue in many U.S. newspapers, which publish daily a bid and asked price expressed as a

percentage interest rate. The bid price is the first number printed, and the asked, or offered, price is the second. For example, bills due July 9 carried a bid of 14.40 recently and an asked of 14.32, meaning that someone was willing to buy that bill at a discount rate of 14.40 percent and someone was willing to sell at a rate of 14.32 percent.

But the discount rates do not tell the investor the dollar value of his Treasury bill. To compute the dollar price, the investor must use the discount rate and the maturity of the bill to figure the dollar value of the discount. The value of his bill is then equal to the face value less the discount.

To figure the dollar value of the discount, the investor who wants to sell multiplies the bid discount rate published in the paper by the number of days to maturity, then divides by 360. He multiplies the result by the face amount of the bills, and the result will be the dollar value of the discount. Let us assume, for example, that on May 4 the Treasury bill due July 9 was bid at a rate of 14.4 percent. For a \$10,000 bill, the discount is \$268 and the bid indicates that someone is willing to pay a price of \$9,732 for the bill.

At least, that would be the price if the bid holds. But the bid will change depending on the latest developments in the credit markets, and at times these changes have been dramatic enough to raise or lower the discount rate a full percentage point between weekly auctions.

**How to Compute What a T-Bill is Worth**

First, calculate the discount, which is the return not yet earned.

Discount = Face value x (days to maturity x T-bill rate)

360

= \$10,000 x (.144)

360

= \$10,000 x 0.044

= \$440

These market values in the face value less the discount.

Market value = \$10,000 - \$440

= \$9,560

\*The "ask" is shown as a dashed line.

Once the investor has figured roughly what the bill should bring, then checked to see if rates have changed much, there is another little hurdle to be faced. The standard fee among securities firms and banks in New York for Treasury bill orders of less than \$100,000 is \$25. That is applied to each transaction, so the total would be \$50 if one bought and sold one bill. Of course, by purchasing a Treasury bill directly at a Federal Reserve bank or from the Treasury, the investor can avoid the purchase fee. Similarly, the fee can be avoided if one holds the bill until maturity.

## Currency Futures: Tale of 2 Cities

By H.J. Maidenberg  
New York Times Service

**NEW YORK** — While foreign-currency trading may be dormant on the New York Futures Exchange, the market in the "ultimate commodity" is alive and booming in Chicago.

Indeed, the turnover in currency futures in March soared 25 percent, to 452,000 contracts, on the International Monetary Market of the Chicago Mercantile Exchange, which developed the market almost a decade ago.

By comparison, New York's market in Canadian dollars, British pounds, West German marks, Japanese yen and Swiss francs appeared to be doomed from the day it started last August. After an initial flurry of activity, volume shriveled to only 56 contracts last January and 14 in February. Since then, no currency futures trades have been reported on the NYFE.

Although the best-laid plans for new commodity futures often go awry because of indifference on the part of trade hedgers and the equally vital speculative element (frozen shrimp futures was one notable example in Chicago in 1963), New York's currency market was given more than an even chance to succeed.

#### Money Capital

"For one, New York is, after all, the money capital of the world," said Richard C. Marquit, vice president-foreign exchange at Drexel Burnham Lambert Inc. "Secondly, NYFE's parent is the New York Stock Exchange, and many leading factors in the money market are members of the Big Board," he noted recently.

*The first year of trading on the New York*

*Futures Exchange has been a slow one, to say the least. Meanwhile, futures transactions in the 'ultimate commodity' on the International Monetary Market at the Chicago Mercantile Exchange are booming.*

Moreover, Mr. Marquit said, most Big Board members joined NYFE and spent considerable sums on staffing and communications, just as they did when the Chicago exchanges began trading financial and currency futures in the early 1970s. "These markets took several years to develop," he said.

But Greg P. McKinney, Mr. Marquit's deputy, quickly noted: "Given the miracle of modern communications, the siting of an exchange is of little importance. The fact is that the Chicago Merc's IMM had an established and highly liquid currency-futures market going full blast when NYFE opened with the very same contracts."

At Conticurrency, the currency trading arm of the Continental Grain Co., John M. Bland, vice president, said: "Some think that geography may have hurt NYFE. While New York is the money capital, the banks here have traditionally been involved in making their own markets in foreign currency. True, the big banks don't cater to small trade hedgers and speculators as a futures market does, but they and other institutions and multinational corporations are themselves becoming major participants in the currency futures market."

Jay M. Meisler, also a Conticurrency vice-president, said, however, that many U.S. corporations, despite heavy losses incurred in converting foreign exchange to dollars, are not convinced that they can hedge against such losses in the currency-futures market.

#### European Traders

"Many multinationals still prefer to handle currency conversions and forward dealings through their banks," Mr. Meisler said. "They still think the recent volatile changes in the relations of European currencies and the dollar, for example, are temporary situations. Many European money traders apparently don't think so because a significant amount of hedging in currency futures now comes from Europe."

Speaking of the sharp drop in European currencies since January and, conversely, the rise in the dollar's value, Drexel Burnham's currency futures specialists said the volatility that has marked foreign currency rates thus far this year was far from over.

The Deutsche mark is a case in point, he said, because it has been unusually volatile in recent months.

On the one hand, the softening of oil prices means that West Germans will need to buy fewer dol-

lars for imported fuel, which sold for dollars. This of strength the mark.

If, on the other hand, U.S. interest rates rebound beyond record levels of last December, which is expected by many market analysts once the Re administration's proposed spending starts, then West man investors will again against each other for the dollars they need to invest in the yielding Treasury paper and financial instruments.

"As it is, West German interest rates are about half our levels," Drexel's specialists said. "This could put the mark under even greater pressure."

#### Fed's Move

Conticurrency's specialists noted that the U.S. Federal Reserve announced earlier this month that it would no longer intervene in the foreign exchange market in emergencies. "This is a move that the Fed will not be coming into the market in the aftermath of smooth out distortions in rate case, unusually erratic market," Mr. Bland emphasized.

What it does mean is that currency futures, which are making more use of currency futures.

For speculators, the leverage these contracts is the attraction. The initial cash margin for a currency futures contract is \$3,000. For this investment, a speculator can buy or sell \$25,000, 125,000 Deutsche or Swiss francs, 12.5 million Canadian dollars.

But these cash margins cash just as quickly as they produce profits. The minimum price move in the futures is \$10, while it is \$12 on the other contracts. And moves of 25, 50 or more ticks become common.

### First Quarter Report:

## Tenneco's net income rises 9% on strong energy performance.

Tenneco reported the best first quarter in its history in 1981. Net income was \$194 million, up 9 percent from the \$178 million of last year. Operating revenues grew from \$3.3 billion to \$3.8 billion, a 15 percent increase.

The average number of outstanding common shares grew by more than 12 million, mainly because of stock issued last year in the acquisition of Southwestern Life Corporation; this accounted for a decrease in fully diluted earnings per common share from \$1.61 a year ago to \$1.51 this year. Energy operations again led the way. Integrated oil continued its strong earnings performance and natural gas pipelines improved profitability. Shipbuilding and packaging also showed increased profits. Income from life insurance subsidiaries was higher because Southwestern Life's earnings were included in the recent quarter but not in the 1980 first quarter, since the acquisition became effective on May 1, 1980.

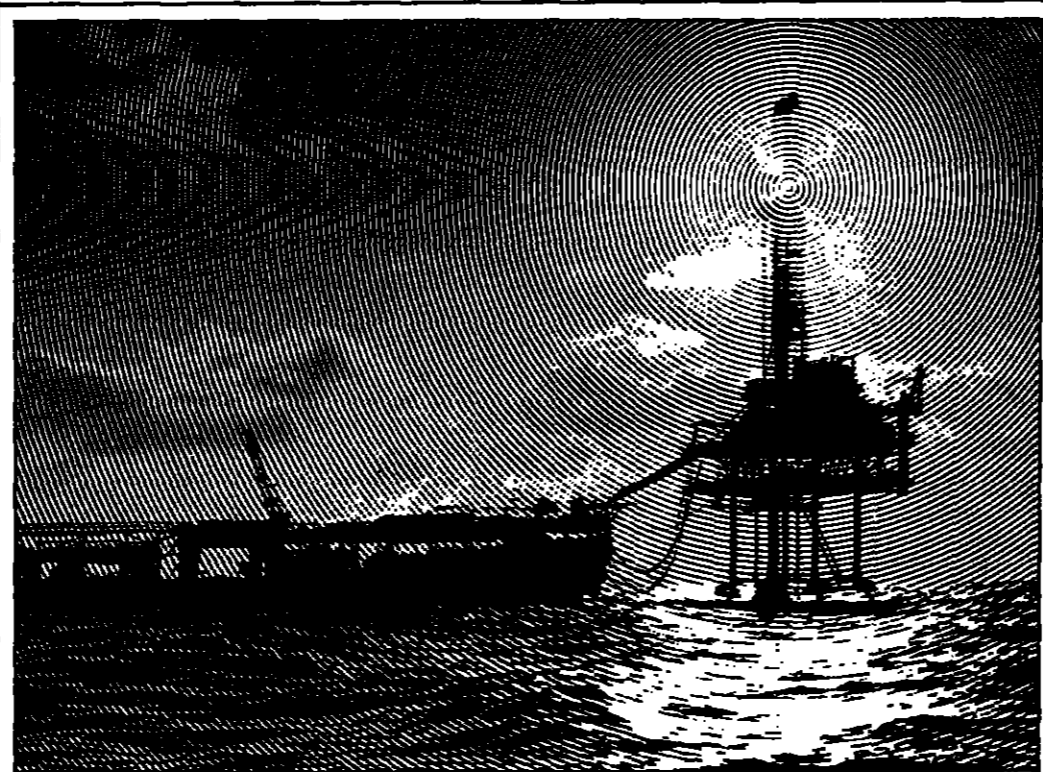
Shortly after the end of the first quarter the acquisition of Houston Oil & Minerals Corporation was effected. This brings added strength to Tenneco's energy operations, and the Company now has about 7.7 million undeveloped acres under lease in the major energy-producing onshore and offshore areas of the United States.

These quarterly results again demonstrate the importance of the heavy concentration of capital in our energy businesses over the past several years. In 1981 Tenneco will continue its aggressive exploration effort and will drill more wells than ever before. More than \$1.5 billion will be spent on energy projects this year.

Although energy contributes more than three-fourths of Tenneco's income, the Company continues to provide other basic needs, like food, construction and farm equipment, chemicals, ships, automotive components, packaging, and insurance.

That's Tenneco today; growing in energy... and more.

For more information about Tenneco, write Dept. HT-2, Tenneco Inc., P.O. Box 2511, Houston, TX 77001, U.S.A.



This development well in the Gulf of Mexico is part of Tenneco's \$1.5 billion commitment for energy projects this year.

Financial Highlights (Millions Except Per Share Amounts)	First Quarter		
	1981	1980	Percent Change
Operating revenues	\$3,809	\$3,316	+15
Net income	\$ 194	\$ 178	+ 9
Earnings per share of common stock—			
Fully diluted	\$ 1.51	\$ 1.61	- 6
Dividends per share of common stock	\$ .65	\$ .60	+ 8
Average number of shares outstanding	118	105	+12
Capital expenditures	\$ 373	\$ 306	+22

Investor Information	
Common stock: Traded on major U.S. and international exchanges	
Price at 3/31/81: \$47 3/4	High/low price range:
Price/earnings ratio: 8.0x	First quarter—\$51 1/2 high; \$44 1/4 low
Composite daily volume:	Latest twelve months—\$58 3/4 high; \$31 1/4 low
First quarter—102,266	Dividends:
Latest twelve months—127,750 shares	Current annual rate—\$2.60 per share
	Current yield (3/31/81)—5.5%

## An Old Hand at Business Abroad

By Clare M. Reckert

**NEW YORK** — An old hand in foreign business activity, with operations in 46 countries, W.R. Grace & Co. has tripled its sales in the last 10 years.

From its vast line of products and services in the chemicals, fertilizer, natural resources and consumer fields, the 126-year-old company rang up sales of more than \$6 billion last year. They were less than \$2 billion 10 years earlier. J. Peter Grace, chairman and chief executive officer, has projected that sales will reach \$10 billion by 1985.

Investments in operations outside the United States came to \$467.7 million in 1980, up 14.3 percent from the year before. They contributed importantly to corporate sales, which set a record for eleven successive years. About 60 percent of earnings are derived from domestic operations and the balance from abroad.

With about 33 plants and more than 10,000 employees in Europe alone, operations there accounted for 34 percent of Grace's worldwide sales. During the last five years, European specialty chemical sales alone have increased 17 percent annually, while volume gained 14 percent for the Pacific-Inter-American divisions comprising Argentina, Australia, Brazil, Japan, Mexico, New Zealand and Venezuela. The next five years will see such business grow at a faster clip in Europe than in the United States, Mr. Grace said.

#### Chemical Producer

During the 36 years that Mr. Grace has headed the company, he transformed his grandfather's shipping-trading-banking company into a major international chemical producer. Then he added the fast-growing energy sector (oil, gas, coal, plus oil field equipment and services) and consumer operations, including specialty retailing and restaurants.

It was not an easy transition. Mistakes were made in some ac-

quisitions, particularly in the 1960s, so these were unloaded along the way.

Company results last year reached records despite an industry-wide chemical decline and general downside in corporate profits. Net income rose 24 percent to \$284 million from \$229 million in 1979. Ten years earlier, the figure was \$18.6 million.

The continuing difficult economy has not lessened company confidence. It expects to exceed 1980 results and has posted another first-quarter record net of \$83 million, or 26 percent ahead of the \$65 million in the initial three months last year, on peak sales of \$1.5 billion, up 8 percent. Capital expenditures are projected at about \$700 million this year, the highest level in Grace history. The largest sum will go for natural resources and associated services.

This performance has captured the interest of two European companies that have invested in and become partners with Grace.

The most recent deal is an unusual arrangement, mutually beneficial. It gives the giant Dutch retailer, Vroom & Dreesmann B.V., a share of the Grace specialty retail business, with sales of approximately \$1 billion last year.

#### Half Interest

In February, the Amsterdam-based company agreed in principle to acquire a half interest in about 409 units. They include Harnett's World of Sporting Goods, the do-it-yourself home improvement centers of Channel, Handy Dan, Handy City, Cashway, Orchard Supply, the J.B. Robinson Jewelers, Sheplers Western Apparel and Berman, the Leather Experts.

For more than \$250 million (the exact amount to be determined by future earnings) V & D will pay five annual cash installments beginning this year. The arrangement is in line with Grace's use of joint ventures in some chemical and natural resource activities, while conserving on capital costs.

The other investor in Grace

Friedrich Flick Industrie-tung KGaG or Flick Group West Germany, which owns a 30-percent interest in W.R. Grace & Co. through a tender offer in October, 1978. It is the largest shareholder in the company. Three Flick members on the board of directors. The West German company has its own operations in Europe and long-standing friendship with Grace.

Meanwhile, money, man and management are continuing to mold the company's natural resources network, which in exploration and development expansion of crude oil and gas production, contract drilling, and off-shore workover rigs, and tools and equipment for the lean industry.

#### Coal Production

Coal production is another endeavor. Coal mines in Grace has a 47.5 percent interest in 5 coal mines throughout the United States: doubled production 1980 to 4.1 million tons, multiplying through 1981, hold more than 300 million tons of reserves. They are to contribute \$25 million to Grace earnings by according to Mr. Grace.

Coal exports should reach million tons by 1985, again million tons in 1980. With German reserves diminishing and other foreign energy converting to coal realize it United States has the world's largest reserves.

The aggressive pursuit of natural resources business is not dictated by the fossil problems in many parts of the world. The opportunities for growth and profits, emphasized by Mr. Grace, are created by the 52-percent rise in energy earnings last year.

(Continued on Page 135)

## King Fifth Wheel Company

has been acquired by

## Tube Investments Limited

The undersigned acted as financial advisor to King Fifth Wheel Company in this transaction.

WM SWORD & CO  
INCORPORATED

May 18, 1981

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TENNECO CHEMICALS EUROPE TENNECO OIL COMPANY WALKER MANUFACTURING EUROPE MONROE AUTO EQUIPMENT-BELGIUM

July 1, 1980

هكزان النجوى



# One of Best-Kept Secrets

By Robert Metz  
New York Times Service

**NEW YORK** — Phoenix Leasing Inc. calls leasing one of the United States' best-kept investment secrets, and the Mill Valley, Calif., company wants to change that so more investors will buy its partnership units.

What the 10-year-old company has done is to apply the limited-partnership format to lease contracts for such high-technology computer peripherals as cathode ray tube terminals, word processing printers, and disk and tape storage devices.

Phoenix buys title to equipment that has already been leased by the manufacturer to the end user — typically government agencies and, it says, companies with credit ratings "equal to those enjoyed by Fortune 500 companies." Thus, for example, Phoenix took title to minicomputer systems leased to the Treasury Department by a major manufacturer.

It may well be that the Treasury does not know that the equipment has been sold, for the user pays monthly leasing charges as before and the manufacturer remains responsible for maintenance and service.

### Frozen Capital

From the manufacturer's point of view, tens of millions of dollars in frozen capital can be recaptured and used for research and development and further expansion of the business — the capital can be employed to produce immediate profits instead of deferred income.

Phoenix sets up a limited partnership and sells \$1,000 units, with a minimum purchase of \$2,000. The partnership uses the investor's dollar to buy the equipment and pays the investor an income. From the limited partner's point of view, the investment vehicle resembles a mutual fund.

During the last decade, Phoenix has set up 14 plans for more than 10,000 investors with a total stake of \$100 million. Phoenix asserts that the investor receives four benefits, according to Martin J. Held, national marketing manager for the general partner. "The investor gets above-average cash distributions — paid quarterly at a rate of 14 percent of the invested dollar after commissions during the first year."

But the lease income to the partnership itself is actually twice as much — 28 percent of invested capital. Does this mean that the user of the equipment is paying 28 percent annually? "No," Mr. Held said. "The user is probably paying 20 percent or so — a lease charge keyed to the prime rate. But the return on our cost is higher because we buy the equipment from the manufacturer at a discounted or wholesale rate."

## Leasing Format Unlocks Capital

Nevertheless, computer leasing plans in years past have experienced marked setbacks as a result of obsolescence, and there is no guarantee that this will not happen again.

Phoenix is not the only company in the field: American Leasing Investors, an offering of Integrated Resources, a financial services company based in Denver, offers limited partnerships to individuals in such widely leased equipment as cargo containers, airplanes and office equipment.

Mr. Held added: "The money that we do not forward to the limited partners is reinvested in the portfolio property. As a result, the investor's lease portfolio grows at a 14-percent compounded rate. This results in annual increases of cash distributions on the ever-larger leasing base. The portfolio assets double during the first six years and thus provide an inflation hedge. The investor also gets six years of investment tax credits that slightly reduce his taxes on the annual income."

"We also have a liquidity feature that we believe to be unique. That is, the investor who must liquidate can sell the units back to the partnership for book value." He acknowledged that this would result in a penalty during the first year and a half to two years of the 15-year plans as a result of the up-front underwriting fee of 8 1/2 percent. The fee is similar to the sales charges imposed by most mutual funds. Until this sum is recovered through appreciation, the investor would receive less than he put in on liquidation.

Mr. Held described a further option, called the Capital Accumulation Plan. He said that, if an investor left all cash distributions in the fund, portfolio assets would compound at a rate above 20 percent a year. With this option, the portfolio would quadruple over six years, he added. Cash distributions on this option begin in the seventh year and, Mr. Held said, would generate "more than 480-percent net return" during the following six years.

Asked to explain the risks, Mr. Held said that typically the risk in the leasing business was obsolescence, particularly in high technol-

ogy. "It is entirely possible that some of our equipment could be outdated by newer technology," he said, "but we try to limit our purchases to equipment that can be upgraded in the field to reflect advancing technology."

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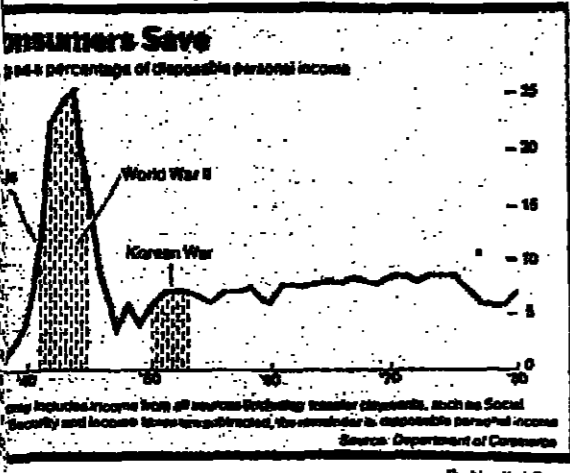
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## Grace: An Old Hand

...ing Business Abroad

...ed from Page 125) ... million. It was the ... year of higher ... the natural resources ... income is targete ... than \$250 million by ... 10.8 million ... in 1980 ... from these sources ... million last year from ... 1973 and are now ... \$1.8 billion in 1985, ...

... chemicals, Grace's big ... maker in 1980, had ... in operating earn ... sales of \$1.9 billion ... are projected by the ... more than \$3.5 billion, ... about 14 percent yearly ... 1985, continuing the ... the last 15 years.

... 120 plants ... specialty chemical ... are made in 120 ... countries and more ... added. They serve the ... construction, automot ... oil and gas, general ... and chemical intermedi ... In good or bad times, ... these specialty chemi ... as to grow. ... of 1980 projects, the ... products division ... the White House, ... subway system and ... commuter tunnel. In ... concrete structures

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**Tale of**  
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Chicago Mercantile

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**European Traders**  
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## Wide Range of Investments Lures Foreigners

NEW YORK — The dollar might be strong again, but that is not discouraging foreign investors from putting their money into U.S. equities, real estate, manufacturing enterprises, wholesale and retail trade, insurance and petroleum companies.

Although it was a weakened dollar that initially encouraged foreign investment, investors seek other things in the United States as well: economic and political stability, a vital market, official encouragement of foreign investment.

Although the U.S. government has a neutral policy toward foreign investment, it has a positive attitude, encouraging firms already committed to investing in the United States to participate in federal, state and local incentive programs. Many state governments, however, actively pursue foreign investment, with offices at home and abroad that relay information about a wide variety of government loans, grants and tax incentives.

"The U.S. is the preferred country for investment by West German business," said an official of the West German Consulate in New York, noting that 27.6 percent of West German foreign investment went to the United States in 1980, while 26 percent went to all other developed countries.

Last year, West German business invested 3.4 billion Deutsche marks (about \$1.5 billion at the current exchange rate) in the United States, bringing the cumulative West German investment since 1952 — when the figures were first compiled — to 15.7 billion Deutsche marks (about \$6.8 billion). Total West German investment abroad during this period was 74.2 billion Deutsche marks

(about \$32.4 billion), according to West German statistics.

The United States is also Japan's most important overseas investment market. According to the Japanese Trade Center in New York, 23.2 percent of Japanese investment abroad goes to the United States. The next most important countries are Indonesia with 12.2 percent, Brazil with 8.6 percent and Australia with 5.5 percent of Japanese investment abroad.

After investments of more than \$1 billion in the United States last year, cumulative Japanese investment in the United States from 1951 to March, 1980, reached \$7.4 billion, while cumulative investment abroad during this time was \$31.8 billion, according to Japanese statistics. The reasons for this rise, an economist at the Japanese Trade Center said, are the increasingly strong yen compared to the dollar, an attractive consumer market — the largest in the world — the political and economic stability of the United States, and U.S. encouragement of foreign investment.

David Bauer, an economist at the Conference Board, a U.S. business organization, said that, before the 1970s, there was relatively little direct foreign investment in the United States. Companies preferred to export. "But as wage rates abroad grew more rapidly than in the U.S. and as foreign exports to the U.S. grew — giving the U.S. a trade deficit which caused foreign companies to fear higher tariffs and quotas — direct investment increased. With the devaluation of the dollar in 1971, many foreigners found it cheaper to build or acquire companies in the U.S. They also found they could service U.S. clients better if they had plants here."

An official at the British Trade and Development Office in New York said: "There has been a tremendous upsurge in British investment here in the past few years. People recognize the U.S. as the major economic force in the world, and it would be foolish if they didn't come. The growing strength of the pound has also helped."

According to the U.S. Department of Commerce, the equity value of British business in the United States in 1979 (the latest year for which data is available) was \$9.4 billion. In 1978, it was \$5.4 billion.

In 1979, the Commerce Department reported that more than half of foreign investment in the United States went into stocks and bonds. The rest went into the manufacturing sector (\$20 billion), wholesale and retail trade (\$11 billion), petroleum (\$9.9 billion), finance (\$3.7 billion), insurance

(\$3.4 billion) and real estate (\$1.6 billion).

According to the Securities Industry Association, both gross activity and net purchases by foreign investors of U.S. equities reached record highs last year. Gross activity climbed from \$3.7 billion in 1979 to \$7.5 billion in 1980, and net purchases in 1980 reached \$5.2 billion, topping the record of \$4.7 billion in 1975.

High interest rates. Most of the strength of last year's activity occurred during the first and fourth quarters, when U.S. interest rates were rising to records. According to a Securities Industry Association report, the most dramatic increases in activity from 1979 to 1980 were recorded by Canada (33 percent), Bermuda and the Netherlands Antilles (55 percent), oil-exporting Arab countries (56 percent) and Switzerland and Britain (82 percent).

Among the reasons for these increases, according to the Securities Industry Association, are the following: A depressed economy with high unemployment, high inflation and a negative gross national product, coupled with high interest rates and government polarization over how to deal with the economy, have prompted British investors to seek foreign outlets for investment funds. The phasing out of government restrictions on foreign investment in 1970 also encouraged this investment.

White Swiss investors have been net sellers of U.S. equities in recent years, the easing of upward pressure on the franc allowed for economic growth in 1980 with increasing exports and low interest rates, thus encouraging Swiss investors to seek the high returns available in dollar-denominated assets.

The Canadian government's plan to impose new taxes on oil and gas companies may have prompted many Canadian investors to turn to energy-related issues of U.S. companies, thus boosting an already high interest in U.S. equities.

The growing surplus of the oil-exporting Arab countries may have prompted a less conservative approach to money management, toward equity and equity-related investments and away from their normal short-term investments.

About 90 percent of OPEC Arab money in the United States is invested by governments rather than individuals, in government securities and bonds and short-term deposits, said William Hanna, president of the Petra Capital Corp., the first Arab investment bank in the United States, soon to be the first Arab member of the New York Stock Exchange. The reason, he said, is that the

OPEC Arab investors like liquid investments because they can get in and out of them quickly. They also like passive investments.

He noted, however, that Arab investors feel less comfortable making direct corporate investments in the United States than elsewhere. This is due to certain regulations seen as burdensome but also to the fact that, "like the Japanese a few years ago, they are being characterized here as the 'ugly investor.' And the Arabs don't want to invest where they are not welcome," he said. The OPEC Arabs feel comfortable investing in U.S. real estate, banks and hotels because they have more experience in those areas, Mr. Hanna said.

Although much has been made of Arab investment in the United States, with fears of Arab takeovers of such companies as General Motors, the Arabs actually invest very little in U.S. manufacturing sectors, Mr. Bauer of the Conference Board said. According to the Department of Commerce report of 1979, foreigners invested about \$20 billion in U.S. manufacturing, one-third in chemicals, 17 percent in machinery and 15 percent in metals. OPEC Arabs invested only about \$52 million in the U.S. manufacturing sector. The

leading foreign investors from Canada, the Netherlands, West Germany and Japan.

Foreign investment in manufacturing sector has characterized in recent years increasing number of new plants. Mr. Bauer said, that the number of foreign had increased from 161 in 1937 last year. Many smaller intermediate-size foreign companies have been establishing plants in recent years, he said.

Among some of the major plant construction investments, however, have been Nissan's \$100 million investment in a 2,200-employee truck assembly plant in Tennessee; BASF of West Germany's \$120 million investment in chemical products plant in Ohio; and Volkswagen's \$100 million investment in Michigan.

Last year, about 90 new plants were completed by foreign companies in the United States about 150 U.S. plants were completed — about half of the less than \$10 million each. Tom Pierpoint, who heads investment in U.S. program at the national Trade Administration, the Department of Commerce.

LINDA BER

## Old Bonds Live Anew

(Continued from Page 75)

one of 80 known share certificates issued about 1900 by the Fokien Ho-tu trading company in China. It was beautifully decorated with pictures of a Chinese landscape and kept in a special leather wallet.

Like other shares put up for sale, it was carried in a plastic folder around the crowded auction room in the luxurious George V Hotel by a blonde in white shorts as the bidding edged up to 12,500 francs (about \$2,500), paid by Mr. Martin. He expects to sell this rarity to an American collector.

Pirate Ship. An 18th-century share certificate issued by a Barcelona company was then knocked down for \$2,200. One of only four known shares in an early 19th-century French corsair, or government-licensed private pirate ship permitted to prey on foreign vessels, went for \$1,000.

Shares signed by Thomas Edison fetched \$250 and there is heavy demand for the original Standard Oil Co. shares that bear John D. Rockefeller's signature. "Last month, Exxon's German subsidiary asked me to try to find one to hang in their boardroom," said Hans-Georg Glasemann, of the small Frankfurt banking house

of Georg Hauck and Sohn, claims to be the first bank world to set up a special department to advise clients on scripp investments.

West Germans, Swiss Americans are said to be the ardent scrippophiles, and they hoard them in their homes. But the habit of collecting old shares and bond certificates is still new. The first public sale in the United States, organized by R.M. Smythe & Co., took place in New York last year, while the French auction was in December, 1979.

Dealers and collectors many explanations for the interest. "Old things are valuable and just about the last old things that people hadn't started collecting," Mr. de St-Hippolyte says. Others stress the intrinsic value of many of these certificates, their historical associations.

But part of the charm of that, in today's computer world, when a stockbroker's investment is the only tangible asset most investors have of their own, these big, crisp sheets of heavy paper, covered with engraving, are a reminder of stocks and bonds still actual, even if their owners sold them.



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\*This return represents the net annual interest income, after annual expenses, divided by the public offering price as of 5/12/81. On 5/8/81 when Series 178 was first offered, the figure was 11.10%. It varies with changes in either amount and also with the particular payment option and amount invested. This figure is based on semi-annual payments. Interest income may be subject to state and local taxes.

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BUSINESS NEWS BRIEFS

Benz Expects Slower Turnover Rate

Mercedes-Benz does not expect the rate of growth in group turnover to equal the 11-percent rise to \$3 billion seen in the first quarter of 1981, managing board Chairman Fritz said Thursday.

Wahl Reports Earnings Up Slightly

West Germany — Krupp Stahl earnings improved slightly for the first quarter of 1981, but it will be mid-year at the earliest before the group will have to raise prices considerably to make up for the loss in the first quarter of 1981.

Oil Glut Keeps Pressure on Margins

Shell said Thursday that margins remain under pressure because of slow falling demand and a high level of world oil production.

Production at Pennsylvania Plant

Volkswagen will stop production for a week from June 1 to June 5 because of a strike at its Westmoreland, Pa., plant.

Nigeria Said to Have Cut Output 20% This Year

Nigeria has cut its oil production by at least 20 percent since the beginning of the year, according to West African Petroleum Producers Association.

West, Third World Differ on Monetarism

LIBREVILLE, Gabon — Finance officials from the major industrial powers and their counterparts among developing nations differed sharply Thursday on the global effect of strict monetarist policies in the fight against inflation.

Japan Market Makes Biggest Gain in Year

Tokyo — The market average on the Tokyo Stock Exchange gained 116.19 points Thursday, its biggest daily gain in 12 months, to close at 7,487.46 on widespread bargain hunting.

Dutch Surplus Expected

THE HAGUE — The central planning office maintained Thursday an earlier forecast that the Dutch current account balance of payments would show surplus of 3 billion guilders (about \$1.18 billion) this year, compared with a 1980 deficit of 4.9 billion guilders.

CURRENCY RATES

Table with columns for currency, rate, and date. Includes exchange rates for various currencies as of May 21, 1981.

Dollar Values

Table with columns for currency, value, and date. Shows dollar values for various currencies.

Yamani Sees Freeze On Oil Through '82

BERLIN — Sheikh Ahmed Zaki Yamani, Saudi Arabia's oil minister, said Thursday he believes that the price of oil will be frozen until the end of 1982.

He made clear at an international energy forum here that Saudi Arabia will seek a freeze at a price-setting Organization of Petroleum Exporting Countries meeting in Geneva next week.

"I don't think we'll need to exercise any pressure to freeze the price of oil," Sheikh Yamani said when asked if he would have to fight for a freeze at the meeting.

Because of the present state of the market it "goes without saying" there would be no price increase in 1981, he said.

As for 1982, "I think that the possibility of a price freeze is more than 50 percent," he said.

Sheikh Yamani said the oil market is so weak that he will "not have to do much" to get agreement on a freeze for this year.

As far as prices for 1982 are concerned, if there is a very strong recovery in the world economy, then demand for oil could go up.

But it all depends on the recovery being strong, "and so far nobody is that optimistic," he added.

Sheikh Yamani said the question of a price freeze will not be the main topic at OPEC's Geneva meeting.

Sheikh Yamani's statement spurred immediate speculation in oil circles that Saudi Arabia might seek a price freeze at \$36, the ceiling price accepted by other members of the organization.

At the same time, producers of high-priced North African crude, which sells for as much as \$41 a barrel, would see their price pushed down by inflation, if prices were frozen.

The Saudi position is viewed by oil experts as part of the normal public sparring that precedes OPEC conclaves.

LPG Price Cut

KUWAIT (UPI) — Saudi Arabia has reduced its price on liquefied petroleum gas, both butane and propane, by \$40 to \$255 a metric ton, a Kuwaiti newspaper reported Thursday.

Costa Rican Loan

NEW YORK (Reuters) — The International Monetary Fund has approved a 246-million-special-drawings-right (\$207 million) extended fund facility for Costa Rica, a spokesman for the Banco Central de Costa Rica said here Thursday.

Japanese Firms To Spend More

TOKYO — Japanese corporate capital spending will remain brisk in fiscal 1981, although the annual growth rate will slow, the Economic Planning Agency said Thursday in a survey report.

Capital spending planned by the top 181 trillion yen (about \$82 billion) in fiscal 1981, up 3 percent from last year, when it rose 25.2 percent.

EPA officials said capital spending might be even higher because the domestic economy is showing signs of recovery, with consumer spending rising.

Controls Required

Mr. Brock said the administration did not intend to "endorse or condone bribery for any reason" but clarification of the 1977 legislation "may be the most important trade issue before us."

The Foreign Corrupt Practices Act prohibits all U.S. companies from bribing foreign officials to obtain business and also requires publicly held companies, which are



Ahmed Zaki Yamani

Venezuela to Propose Freeze

CARACAS (Reuters) — Venezuela will propose a freeze in oil prices and cuts in output by member countries at the OPEC meeting in Geneva next Monday.

Reagan Proposes Relaxing Regulations

WASHINGTON — The Reagan administration has proposed a significant relaxation of the 1977 Foreign Corrupt Practices Act, which would stop U.S. companies from bribing foreign officials.

The administration issued a set of recommendations Wednesday, claiming the law was making it difficult for the United States to compete in foreign markets.

The administration's recommendations went beyond proposals already being considered in Congress to loosen the provisions of the 1977 act.

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France Imposes Controls As Value of Franc Drops

PARIS — The newly installed government of Socialist President Francois Mitterrand decided Thursday night to re-impose foreign exchange controls after the U.S. dollar soared during the day to a 12-year high against the franc.

Pierre Mauroy, the new French prime minister, announced the measures after consultations with the governor of the Bank of France and the director of the Treasury.

The measures, outlined in a communiqué, include:
• The foreign currency coverage by importers is limited to one month instead of two months at present, except in the case of "essential" commodities, which remains at three months.

• Importers can only retain foreign currencies, to settle the goods, for two days instead of eight days.

• Exporters must transfer foreign currency holdings with the Bank of France within one month, retroactive to May 1. They are authorized to sell forward or borrow the necessary foreign currency to settle their purchases abroad.

• Re-establishment of a dollar-stock, which carries a premium over and above the franc-dollar rate as a means of restricting the purchase, by residents, of foreign securities.

These last measures, the communiqué maintains, in no way affect the international operations of French banks, nor the role of the Paris capital market.

While Mr. Brock declined to respond to a request by Sen. Proxmire to "name a specific instance" of foreign trade lost because of the 1977 act, he did make frequent reference in his testimony to a study released earlier this year by the General Accounting Office, the investigative arm of the Congress.

That study, which surveyed 250 U.S. companies, found that businessmen believed that they suffered a competitive disadvantage because of ambiguities in the act.

The study also found that the law had resulted in widespread efforts by U.S. companies to strengthen their codes of conduct and systems of internal accounting controls.

When questioned by Sen. Proxmire, Donald L. Scantlebury, the GAO official responsible for the study, acknowledged that the survey was based on opinions submitted by the businessmen and that the GAO had no sound information on their perceptions that the law had hampered foreign sales by U.S. companies.

In calling for the elimination of the accounting provisions, which apply to domestic and foreign transactions and which Congress adopted in 1977 from standard accounting practices, Mr. Brock said they were "overly broad."

The administration also recommended that the prohibition against falsifying company records during a foreign bribe be consolidated with the anti-bribery section of the law.

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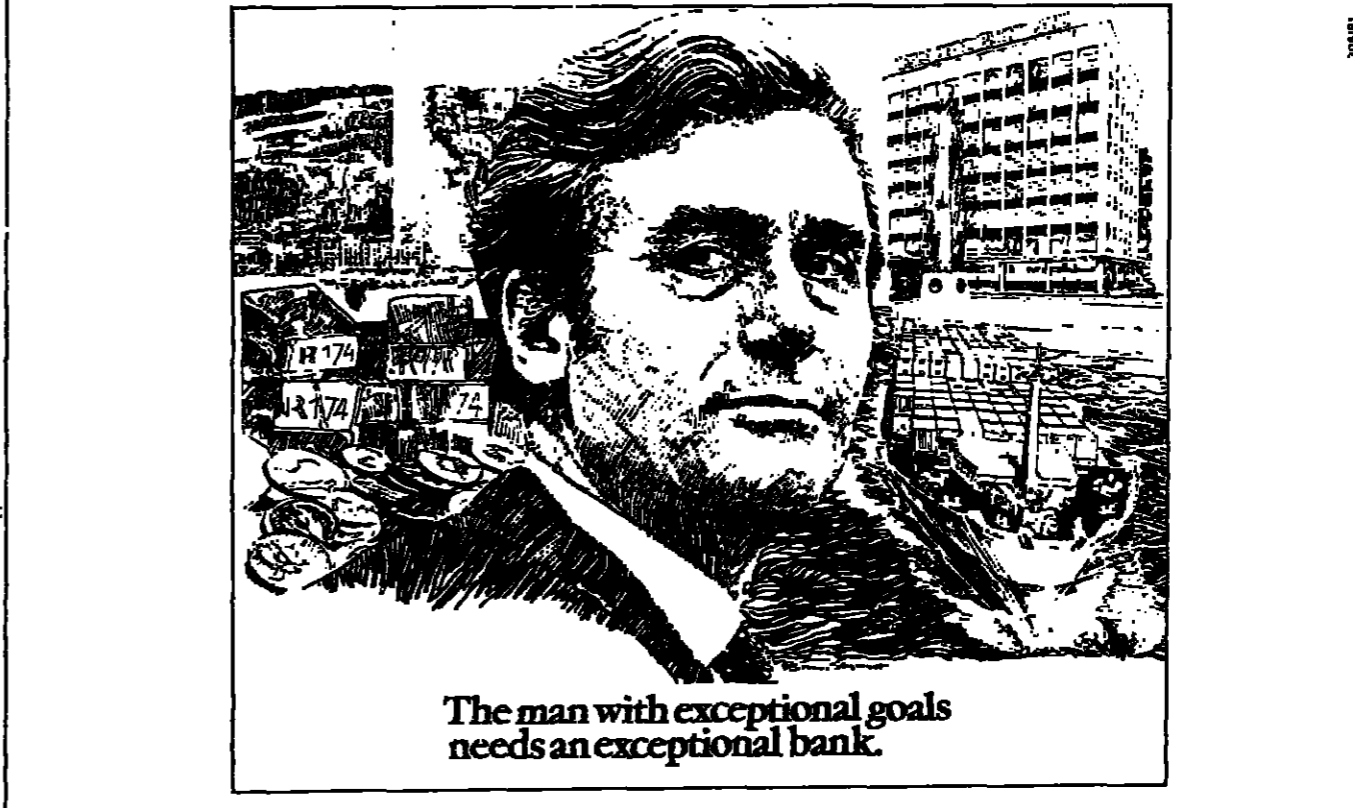
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The man with exceptional goals needs an exceptional bank.

For gold in Switzerland, an exceptional bank. Our experience in gold is based on a banking tradition that dates back more than a century.

Trade Development Bank advertisement with logo and contact information.

Vertical text on the left edge of the page, including "Brothers", "ment:", "ence in financial", "ormance world", "rates its profess", "esearch, trading", "urrency market", "d: to do the best", "ides all clients", "ructure, timin", "techniques", "ivity", "FIRM'S SUBSIDI", "ASSISTED COMPANIES", "Internat", "JET AVIATION", "PRIVATE JET SERVICES", "8058 Zurich Airport Tel. 1-814 20 02 34 hrs. Telex 59 820 pjct ch





News See in Aid Poland

From Page 1)

...the \$90 million notes that Bank sold in the Euro...

...individuals. "Habitués" don't fit category...

...bankers complain dragging of U.S. search for an overall view the Americans...

...not moving with New York bankers... firm leadership to S. lenders into accomplished, without...

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...Steel Watch - The EEC Com-increase its regular...

...The EEC Com-increase its regular... after June, when a...

...that they are being company price.

Forecasts on West Germany's Economy Range From 'Mixed' to 'Deteriorating'

By John M. Geddes

BONN — West Germany's economic recession is proving to be stubborn.

Some of the indices aren't at all bad; they are showing a better performance than at the end of last year, said Helmut Schlesinger, vice president of the Bundesbank.

The indices that do not look good happen to include almost all the major economic indicators. Industrial production fell 4.5 percent in March from February, inflation accelerated in April to 5.6 percent on an annual basis, from March's 5.3 percent. The deficit in the current account does not seem to have narrowed from last year, when it was equivalent to \$12.17 billion at the Deutsche mark's current rate.

Only unemployment appears to be improving, falling to 4.9 percent of the work force in April from 5.2 percent in March. But even that figure is not particularly hopeful when one observes that the number of jobs available that month had declined 23 percent from the year earlier to the lowest April level since 1959.

Other indicators are a matter of dispute. Mr. Schlesinger, for one, contends that gross national product, made real, or inflation-adjusted, growth in the first quarter from the last quarter of 1980. But others disagree.

"I don't know where he got those figures," said Gerhard Riedel, chief economist at BHF-Bank. "I can't find such evidence anywhere."

Less Sanguine

Trinkaus & Burkhardt, a Düsseldorf bank, is even less sanguine, noting in a recent report that, after a 0.5-percent fall in GNP in the last quarter of 1980 from a year earlier, "the comparative figure for the first quarter of this year... will show a marked deterioration."

Besides differing on the current situation, the experts also disagree about the future — just when the upturn will come, the effects of possible foreign exchange fluctuations and the impact that any stimulus program applied by the new French government might have on West Germany.

The government of Chancellor Helmut Schmidt clings to its position that a classical stimulus program, involving tax cuts and government spending, cannot solve current problems and can only exacerbate long-term difficulties. The chancellor has said that the origins of the downturn, including higher oil prices and lagging West German competitiveness, rule out any short-term aid.

Bonn's plan is to provide about \$2.74 billion to

small business at an effective 9.5-percent interest rate for energy-saving investments. Despite its advantages, the plan has had mixed reviews from industry.

The one thing on which business and government are united is their negative judgment of the effects of the Bundesbank's tight-money policies. The bank, whose interest rates are at a postwar high, has argued that it needs to hold interest rates above 12 percent to help offset the Deutsche mark's weakness, which is thought to derive partly from the fact that high U.S. interest rates are drawing funds out of marks and into dollars.

The mark has dropped about 15 percent against the dollar since the beginning of the year. The weaker mark, in turn, increases the mark cost of dollar-denominated imports, thus feeding inflation. It also contributes to West Germany's current account deficit.

But the currency's weakness makes West German goods more price-competitive overseas. Mr. Schlesinger calls this export advantage "the chief support" of hopes that the economy will rebound this year. While domestic orders for West German manufactured goods have stagnated this year, orders received from abroad have climbed — rising 6 percent in February and March from the previous two months.

Predictably Skeptical

Some experts are predictably skeptical. They believe that foreign orders may fail to sustain their recent gains and to prod an economic recovery. "It would be wrong to assume here and now that the economy can look forward to a substantial impetus from exports," reported Commerzbank, citing recessions in major overseas markets.

Over the longer term, export changes will be affected by the competitiveness of West German wages. Although the unions settled this year for a relatively small average rise of 5.3 percent, some contend that further steps must be taken to restrain labor costs.

The plan of France's new government to stimulate its economy is another worry. Some West German officials fear that such a program would mean higher inflation in France that would spill over into West Germany.

With such concerns, it is not surprising that a recent poll of businessmen by Munich's IFO institute showed dampened hopes for the next year or so. And another economic survey sounded a note only slightly more positive: "There is a shimmer of hope in the economy, that the recession is not going to get any worse."

2 More Australian Banks Plan Merger

By Peter

SYDNEY — The second big merger of Australian banks in a week was announced Thursday. The National Bank of Australasia and the Commercial Banking Company of Sydney said they had agreed to join in a deal that will cost National almost 450 million Australian dollars (about \$313 million).

In the biggest merger in Australian corporate history, announced a week ago, the Bank of New South Wales and Commercial

Bank of Australia agreed to join forces in a deal costing the former 700 million Australian dollars.

Both mergers are subject to approval by the Australian government, which is thought unlikely to block them, according to financial sources. If the mergers go through, the number of Australian private banks will be reduced from five to three.

The moves are aimed at forming new banking groups with the capacity to raise the capital needed to fund Australia's resources boom and fight off challenges from big foreign banks for benefits from that boom.

Sonatrach Negotiations

The Associated Press

ALGIERS — Warren M. Christopher, former U.S. deputy secretary of state, acting for three U.S. gas companies, arrived in Algiers on Thursday for negotiations on independent contracts with officials of Sonatrach, the Algerian state oil and gas corporation.

Belgians Plan Bond Issue To Bridge Budget Deficit

The Associated Press

BRUSSELS — Belgium will issue "crisis" domestic bonds next month to help finance the nation's widening budget deficit, which now amounts to about 150 billion Belgian francs (\$4 billion), the government announced Thursday.

The issue, open to both individual and institutional investors, was designed by Premier Mark Eyskens, who proposed the idea in March when he was finance minister. It was not announced how much the government expects to raise, but officials have said in recent weeks anything under 60 billion Belgian francs would be a "disappointment."

A government official said the issue will involve two operations and in both cases the government will offer an annual interest rate of 13 percent.

One is aimed at private investors and will be due in 10 years. The interest will be tax free except for the automatic 20 percent withhold-

ing tax, which is mandatory under Belgian law.

The second, due in seven years, is designed for institutional investors. It will also yield 13 percent but only 5 percent of the interest will be exempt from business taxes. Institutional investors will not be subject to the 20 percent withholding tax.

The withholding tax — instituted in the early 1960s — has driven much money out of Belgium to neighboring Luxembourg and the Netherlands where the yields are higher.

The government spokesman said the government will offer a unique exchange-rate guarantee expressed in ECU, the basket currency of the European Monetary System.

The government hopes that the link to the ECU will encourage Belgian investors to repatriate some of the huge pool of capital they have placed in foreign banks, partly out of fear of a depreciation of the Belgian franc, the spokesman said.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Table with columns for Company, Year, Revenue, and Profits. Includes sections for Britain, United States, Canada, France, Japan, and U.K. Employers Call For Import Controls.

AVIS DE CONVOCATION DE L'ASSEMBLEE GENERALE DES CO-PROPRIETAIRES DU FONDS COMMUN DE PLACEMENT FONDITALIA. Includes details about the meeting and financial information.

Belgo-Italian Commerce Société Générale de Banque, Belgium's leading bank, strengthens its position in Milan

Belgium and Italy, two great trading nations, have always enjoyed strong economic ties. It is therefore only logical that Société Générale de Banque, Belgium's leading bank, should extend its role as a key commercial and financial link by enlarging its wide range of services into a full fledged branch in place of its representative office in Milan.



From left to right: Messrs. Paolo Grassi, Vice-Directore - Ermirino Galassi, Direttore - Claudio Chumucci, Directeur Generale - André Van Brussel, Condirettore - Jacques Cuvelier, Vice-Directore.

facilitate commercial transactions between the two countries, Société Générale de Banque, which in Milan specialises in the selling and financing of foreign trade. Services include: import-export financing, credits in lire and other foreign currencies, foreign exchange, and every kind of trade and payment guarantee.

With more than 1,160 offices throughout Belgium and affiliates and subsidiaries around the world, Société Générale de Banque is perfectly placed to provide a comprehensive commercial and financial service. Through its branch in Milan, it is the obvious choice for anyone active in trade and finance transactions between Belgium and Italy, traditional economic partners. For full information, please contact: Société Générale de Banque, Corso di Porta Romana, 3 - 20122 Milano - Tel.: 8522 - Telex: 335333 genmil i.

Société Générale de Banque Generale Bankmaatschappij. Includes logo and contact information.

- Europe: Cologne, Geneva, London, Luxembourg, Madrid, Milan, Paris... Africa: Abidjan, Banjul, Dakar, Niamey, Nkongsamba, Yaounde... Asia: Bangkok, Bombay, Colombo, Hong Kong, Jakarta, Karachi, Kuala Lumpur, Manila, Seoul, Singapore, Taipei, Tokyo... Australia: Brisbane, Melbourne, Sydney... Latin America: Belo Horizonte, Brasilia, Buenos Aires, Caracas, Mexico City, Porto Alegre, Rio de Janeiro, São Paulo... Middle East: Beirut, Tehran... North America: Chicago, Los Angeles, New York, San Francisco.

FEDERAL REPUBLIC OF NIGERIA ANAMBRA STATE WATER CORPORATION GREATER ONITSHA WATER SUPPLY SCHEME INVITATION FOR PREQUALIFICATIONS. Includes details about the water supply scheme and prequalification requirements.



U.S. COMMODITY PRICES

Table of U.S. Commodity Prices including sections for Futures, Cash Prices, Commodity Indexes, London Metals Market, London Commodities, Paris Commodities, and New York Futures.

Market Summary

Market Summary section containing NYSE Most Actives, Dow Jones Averages, Dow Jones Bond Averages, Standard & Poors, NYSE Index, Odd-Lot Trading in N.Y., American Most Actives, and AMEX Index.



Bekaert (Zwevegem, Belgium) in 1980 - a consolidated turnover of U.S. \$877.75 million - U.S. \$45.50 million capital expenditure - 53 factories in 15 countries (inclusive of indirect participations) - 20 own sales offices all over the world

Table showing consolidated results of the Bekaert Group in million U.S. \$ for 1980 and 1979, including Turnover, Net profit, Depreciation, Own equity, and Capital expenditure.

Table showing breakdown of consolidated turnover 1980 by activity sector and geographical breakdown of consolidated turnover 1980.

Table showing results of the parent company N.V. Bekaert S.A. for 1980 and 1979, including Turnover, Net profit, and Net dividend.

General Assembly of Shareholders: May 26th, 1981, 10:30 a.m. at Zwevegem, Belgium.

The complete annual report is available upon request. Please write to N.V. Bekaert S.A., Secretariat General - Public Relations, B-8550 ZWEEVEGEM (Belgium).

IHT maintains a sense of proportion. I'd subscribe to that, wouldn't you?

People who shape the world can't afford to see it from just one point of view. Nor to let nearby events obscure what's happening elsewhere.

Table of special rates after deduction of the introductory discount for various countries and durations.

I want to receive the IHT at my home or office address below for 12 mos. (rate 6 x 2) 6 mos. 3 mos.

Subscription information and contact details for the International Herald Tribune.

European Stock Markets

Table of European Stock Markets showing closing prices in local currencies for Amsterdam, London, Brussels, Frankfurt, Zurich, and Milan.

Madrid, June 10-11, 1981

FOREIGN COMPANIES IN SPAIN

an international conference organized by Morgan Guaranty Trust Company of New York Instituto de Empresa International Herald Tribune

The questions facing foreign companies in Spain today are vital. What is the political outlook? How will EEC membership affect the domestic economy?

An international conference to be held June 10 and 11 in Madrid will focus on these and other issues of importance not only to foreign companies in Spain, but also to Spanish companies and to international companies doing business in Spain.

Organized by Morgan Guaranty Trust Company of New York, the Instituto de Empresa and the International Herald Tribune, the conference will cover four major subject areas, with presentations by the following key political and business leaders.

- On the political situation: Rodolfo Martin Vella, Minister of Territorial Administration; Miguel Herrero de Minton, Spokesman for the Union de Centro Democratico Parliamentary caucus; Antonio Garrigues Walker, Chairman of APD (Management Development Association); Alfonso Guerra, Vice Secretary General of PSOE (Socialist Party).

- On legal, financial and management problems: Mariana Rubio, Vice-Governor, Bank of Spain; Edward Hodge, Personnel and labor relations manager of General Motors Spain; Gerardo Seigler, General Manager-Spain, Russell Reynolds Associates; Diego del Alcazar, Director, Instituto de Empresa; Manuel Salo, Managing Partner, Arthur Andersen & Co. Europe; Luis Vano, General Manager, Aresbank; Garzalo de las Heras, Vice-President and General Manager, Morgan Bank in Spain.

The chairman of this two-day conference will be Eduardo Merigo, Chairman of VISA-Spain, and Manuel Guasch, Managing Director of the Council of Spanish Chambers of Commerce.

Registration Form with fields for Surname, First name, Company, Address, and Tel.

Hotel room: Please reserve for the nights of June 9 and 10 the accommodation checked: Hotel Villamagna, Hotel Velazquez, Pº de la Castellana, nº 22 Calle Velazquez, nº 62 Madrid-1. Madrid-1.



MEX Nationwide Trading Closing Prices May 21

Tables include the nationwide prices up to the closing on Wall Street.

Table with multiple columns listing stock prices for various companies and sectors, including 12-month stock prices and 12-month stock prices with dividends.

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Real estate advertisement for 'SANGRE DE RANCHES' and 'OWN LAND IN GREAT AMERICA'.

Real estate advertisement for 'NATIONAL REAL ESTATE'.

Real estate advertisement for 'Midgrund' and 'Outstanding Villages'.

CLASSIFIED ADVERTISEMENTS

Real Estate To Rent/Share advertisement for U.S.A. properties.

Real Estate Wanted/Exchange advertisement for U.S.A. properties.

Holidays & Travel advertisement for Europe and Greece.

Employment advertisement for various positions.

Employment advertisement for teaching positions.

Services advertisement for legal and business services.

Place your classified ad quickly and easily advertisement.

Hotels, Restaurants, Night Clubs advertisement.

International Marketing Executive advertisement.

Employment advertisement for secretarial positions.

Automobiles advertisement for various models.

Services advertisement for shipping and travel.

Italy - Greece advertisement for travel services.

Escorts & Guides advertisement for various locations.

Escorts & Guides advertisement for London.

Escorts & Guides advertisement for Zurich.

Escorts & Guides advertisement for Amsterdam.

Escorts & Guides advertisement for Geneva.

Escorts & Guides advertisement for Paris (Head Office).

Escorts & Guides advertisement for various locations.

Escorts & Guides advertisement for various locations.

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Escorts & Guides advertisement for various locations.

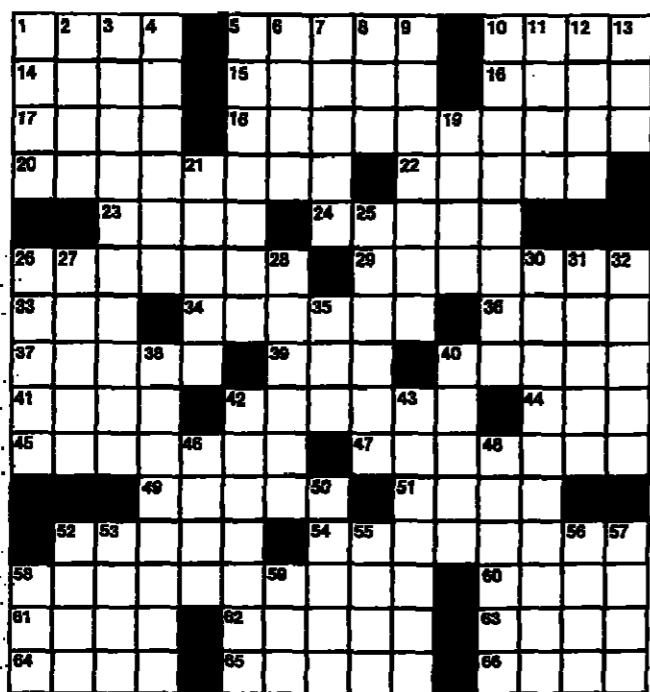
Escorts & Guides advertisement for various locations.

Escorts & Guides advertisement for various locations.

Escorts & Guides advertisement for various locations.

Escorts & Guides advertisement for various locations.

CROSSWORD By Eugene T. Maleska



- ACROSS
1 Philosopher
5 Shiite's religion
10 Social bore
14 Cupid
15 Genetic replica
16 Verdi masterpiece
17 Sleep like...
18 What law is to justice
20 Guru's advice
22 Epitomes of hideosity
23 Thyme, for one
24 Wet
26 "Open Richard," 1947 song
29 Like a certain Tide in Alabama
33 "For rope of sand could wis'": S. Butler
34 Sherwood's "Delight"
37 Cock-a-hoop
38 Havelock or Dock
39 — bono?
40 Ryan or Tatum
41 They grow as they go

Solution to Previous Puzzle



WEATHER

Table with columns for city, high, low, and weather conditions. Includes cities like ALABAMA, AMSTERDAM, ANKARA, etc.

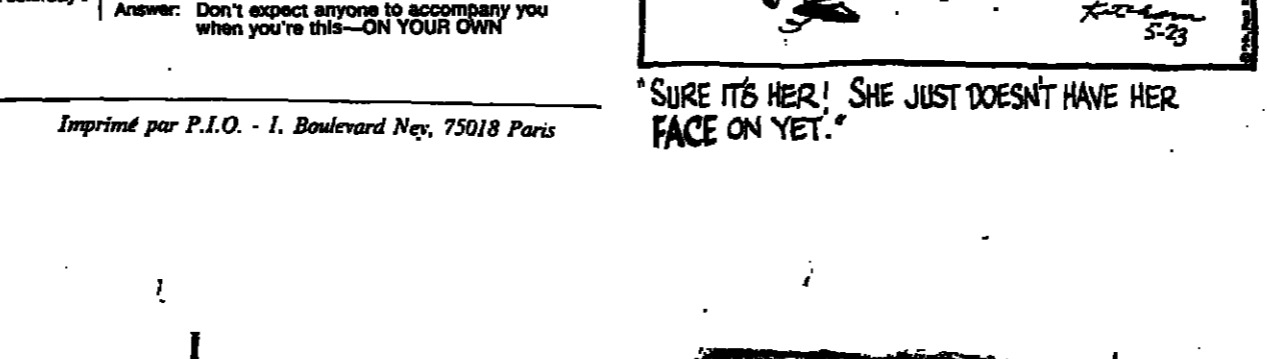
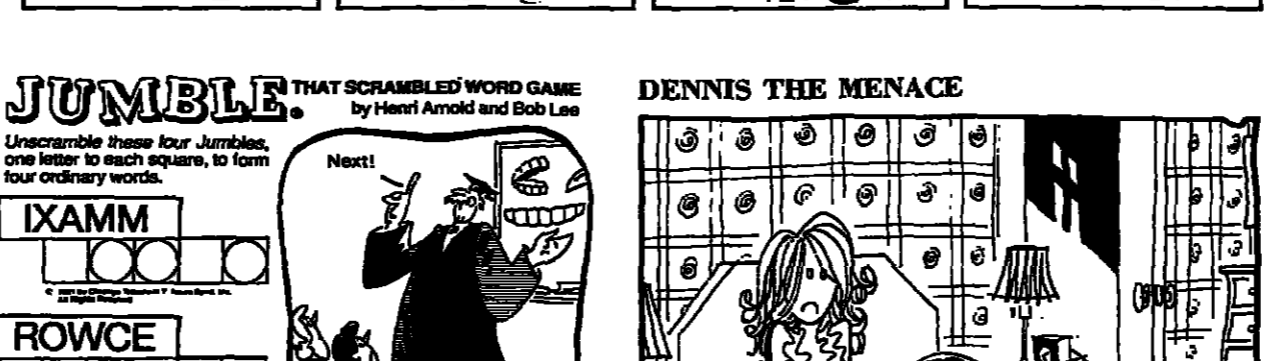
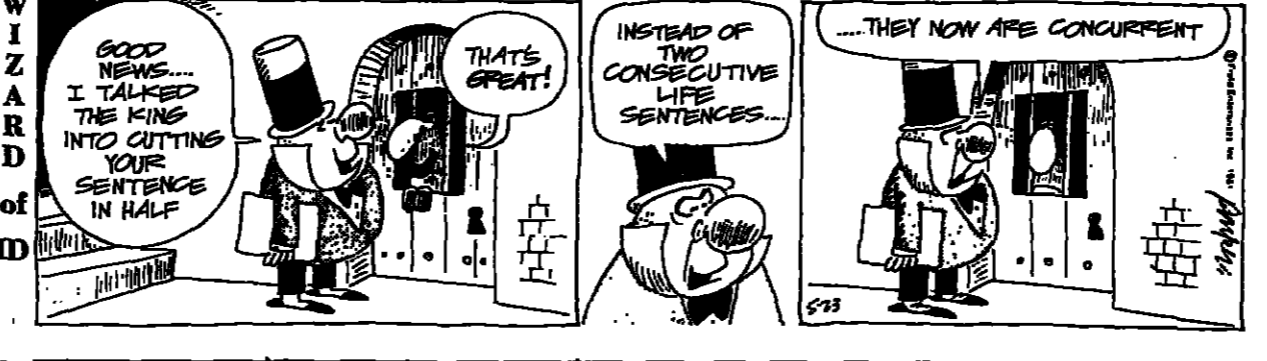
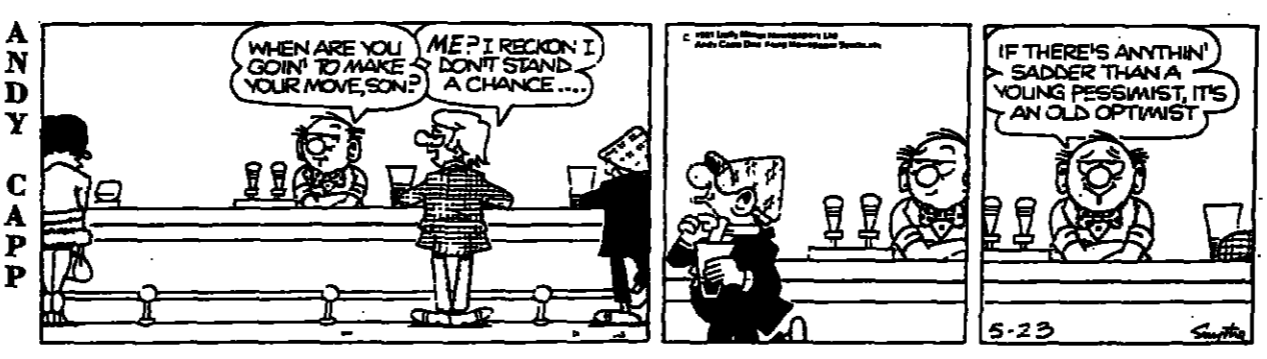
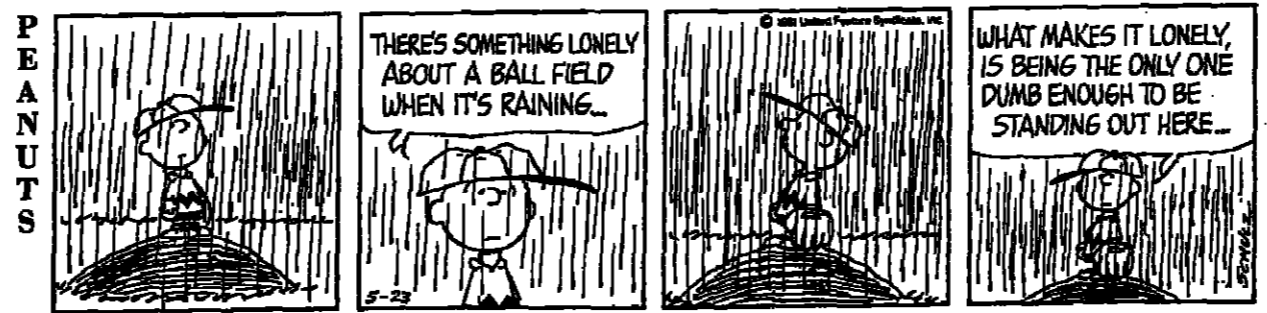
RADIO NEWSCASTS VOICE OF AMERICA

The Voice of America broadcasts world news in English on the hour and at 28 minutes after the hour during varying periods to different regions.

BBC WORLD SERVICE
Broadcasts of 2005, 2200, 2300, 0400, 0500, 0600, 0700, 0800, 0900, 1100, 1200, 1300, 1400, 1700, 1800, 2000, 2200, 2300 (All times GMT).

English City to Find Out for Sure If Police Cure or Cause Traffic Ills

BRISTOL, England — The belief of drivers around the world that traffic jams are caused rather than cured by policemen will be put to the test next week in the congested streets of this city in western England.



BOOKS THE MODELMAKER'S HANDBOOK

By Albert Jackson and David Day. Knopf. Illustrated. 352 pp. \$19.95. Reviewed by Christopher Lehmann-Haupt

INTELLIGENCE strikes again! The firm of Alfred A. Knopf, which has managed over the years to publish more than its fair share of good books, has now brought out the best book I know of on the craft of building model boats, planes, trains and so on — "The Modelmaker's Handbook," written by Albert Jackson and David Day, and conceived, edited and designed by Dorling Kindersley Ltd. of London.

It begins with two chapters on fundamentals, "Basic techniques" and "Painting and finishing" both of which are must reading for anyone intrigued by hardware stores. This brings up the subject "Improving vehicles" or, basically, how to turn those junky plastic kits into authentic-looking scale models.

Now the Industrial Revolution occurs: From landscapes we go to the chapter "Railroads," which in tracking electricity, wiring how to build a dark Satanic mill, the revolution comes the next chapter "Motors and engines."

Then there's the criterion of detail. I won't say that if you want to go heavily into, say, HO-gauge trains, you won't still have to subscribe to Model Railroader magazine. But I read through what is supposed to be the best available book on radio-controlled model airplanes — "The Propo Book" ("propo" being short for proportional radio control), by the staff of England's Radio Modeller magazine. I compared this with the pertinent sections in "The Modelmaker's Handbook" and I have to say that the "Handbook" is no mere scratchy introduction to the subject.

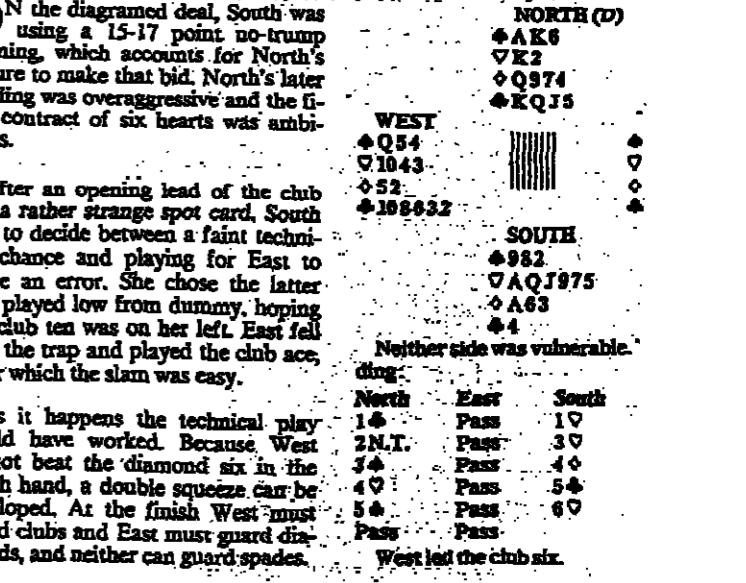
Now the Industrial Revolution occurs: From landscapes we go to the chapter "Railroads," which in tracking electricity, wiring how to build a dark Satanic mill, the revolution comes the next chapter "Motors and engines."

As it happens the technical play would have worked. Because West cannot beat the diamond suit in the South hand, a double squeeze can be developed. At the finish West must guard clubs and East must guard diamonds, and neither can guard spades.

West led the club six.

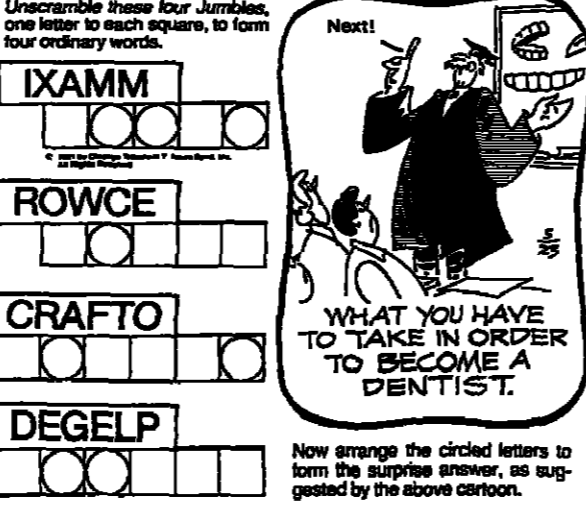
BRIDGE By Alan Tr...

ON the diagramed deal, South was using a 15-17 point no-trump opening, which accounts for North's failure to make that bid. North's later bidding was overaggressive and the final contract of six hearts was ambitious.



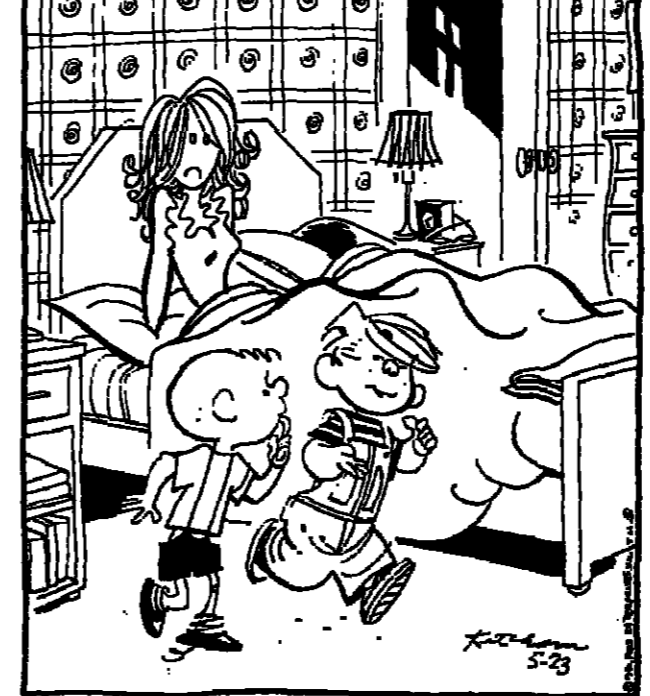
Neither side was vulnerable. North: ♠14, ♥14, ♦14, ♣14. East: ♠14, ♥14, ♦14, ♣14. South: ♠14, ♥14, ♦14, ♣14. West: ♠14, ♥14, ♦14, ♣14.

JUMBLE THAT SCRAMBLED WORD GAME



Answer here: AN "XAMM" (Answers Monday) Yesterday's Jumbles: NERVY GOLON UNLOCK BYWORD Answer: Don't expect anyone to accompany you when you're this—ON YOUR OWN

DENNIS THE MENACE



SURE IT'S HER! SHE JUST DOESN'T HAVE HER FACE ON YET.



Observer

The Ages of Man

By Russell Baker

NEW YORK — Thirty thousand dollars a week in the pay envelope may be just chopped chicken liver and ginger ale to you, friend, but when I come from it's a six-course meal with baked Alaska in the dessert course and a big dollop of white lightning in the demitasse cup, never mind the milk and sugar.



Baker

None of the people of my acquaintance have yet feasted at this ultimate banquet, though many are getting long in the tooth and quite a few are now too wobbly in the gums to do it justice.

There was an article in the newspapers reporting that though Miss Somers was taking home \$30,000 every Friday night, she was deeply disgruntled about her income and would not be granted again until she had a hefty pay raise.

Some people, she said, might think she was making a right nice wage, but \$30,000 a week in this industry is not a high salary. There is no pension plan for actors, and no security in the cocktail hours of their lives.

There was a time when I could pour down three martinis before dinner, but this was not because I was making \$30,000 a week. It was to help me forget I couldn't pay last month's telephone bill. I don't think this is what Miss Somers means. She is saying it's the time when everybody, being over the hill, deserves to eat high off the hog.

Let's note that Miss Somers lives in Southern California where life is different and the shoeshine boy drives a Cadillac, and that she is 34 years old and has been a successful actress in a successful television series called "Three's Company," which makes a zillion dollars for somebody. So at \$30,000 a week we are not talking about really lavish cocktail-hour insurance, especially when you consider that until the clock strikes 40 or 45 or whatever age the workday ends for actors, agents and lawyers and accountants have to be poured for

and fortified with the macadamia nuts and little baby hot dogs, and that Uncle Sam is also hogging all the bourbon.

In short, maybe she really needs fancy pay to arrange for the cocktail years. The real question is: After the cocktail hour of your life, what?

The cocktail hour ought to be relatively cheap. A pint of gin, half a lemon, a few olives, an ounce or two of vermouth, and you're well fixed. It's the dinner hour that breaks the bank. Let's look at the arithmetic:

You can't swing the cocktail hour of your life on \$30,000 a week, so let's say you squeeze the boss to raise it to \$40,000. After five years of the gin, the lemon, the olives, the little bit of vermouth, for which you've laid in \$40,000 a week, you reach age 45 or 50 and you say, "It's the dinner hour of my life."

Are you going to the pizza parlor and eat for \$5? Not with all that gin in you. You go some place where dinner is going to cost \$40 a plate, which is four times what you needed for the cocktail hour of your life. So to get through the dinner hour of your life, you need \$160,000 a week.

About age 55, what do you face? The after-dinner hour of your life. You know what that means. Expensive liquors. Brandy. Drambuie. Benedictine. Creme de menthe. Let's not go into the price of those. Let's go to the next step: The hangover hour of your life.

You say you'd rather skip the hangover hour of your life? I'm with you, friend, it's been known to last 20 or 25 years even in Southern California.

In the lobby of the Beverly Hills Hotel, they nudge you. "See that shoeshine man over there? In the cocktail hour of his life, he drove a Cadillac. In the dinner hour of his life, a Rolls-Royce. Now he's in the hangover hour of his life and I wouldn't even let him wash my tennis shoes."

All this fellow can look forward to is a special Oscar on Academy Awards night, before which they will show old film clips of his greatest shoeshines. Maybe Miss Somers should think beyond the cocktail hour and demand the whole bankroll right now.

New York Times Service

Alain Robbe-Grillet

Uncorking the Genie of Grammar

By Lara Marlowe

PARIS — "He had an incredible capacity for fantasizing, which led him constantly to transform everyday life and the most simple events into strange, romantic adventures."

"Yes, yes that's me!" the French filmmaker and novelist Alain Robbe-Grillet admitted, identifying himself with the main character of his latest novel, "Djinn."

"It is a description of a child, of someone in love. That's how one falls in love — the euphoria — love is like that, something that transforms. The writer does that too, at least I do."

The little girl in his novel, "like all children and poets... enjoys playing with meaning and nonsense." Robbe-Grillet considers himself, at 58, to be both a child and poet. In "Djinn" the influence of Lewis Carroll ("Alice and Wonderland" and "Through the Looking Glass" are the books I have read most in my life) is felt in the obstacle-course nature of the hero's adventures and in the absurdly wise reflections of the characters.

On another level "Djinn," as far as its author knows, is the only literary work to have been written with the intention of teaching grammar.

Playful Humor

It is especially the playful humor of "Djinn" that separates it from Robbe-Grillet's earlier books. One passage, a "love and science fiction story" told by the narrator, is a tale of a young noblewoman, who, unaware of his "cybernetic character," marries a robot. She begins to grow suspicious when she wakes up early one morning to catch him "oiling the mechanism of his coxo-femoral joints." The robot goes to the crusades and dies at the walls of Jerusalem when an infidel's poisoned arrow pierces his armor and short-circuits his electronic brain.

Ironically, the narrator, under the influence of love, grows robot-like himself, till at the end of the novel we are not sure whether he was human.

"Are these people human beings or not?" Robbe-Grillet

asked rhetorically. "I don't know. They are terribly well made for robots, but on the other hand, they have bizarre features for human beings; for example the fact that they all look alike. Maybe they are being experimented on by someone else." He chuckled.

"Love and science fiction have a lot in common. When a young man meets a young girl and falls in love with her, she is something marvelous, improbable, inexplicable — as if she had fallen from the planet Mars. This is the theme of all romantic literature — and also of science fiction."

Simon Leconte, the narrator-hero of "Djinn," meets blond, green-eyed, American Jean in Paris when he answers a job advertisement. In true Robbe-Grillet detective story style, the young woman, who apparently leads an international secret or espionage life, appears in an abandoned warehouse at dusk, dressed in a trench coat, dark glasses and fedora. From this moment the novel becomes, in the narrator's words, "a shaggy dog story."

The story becomes a jumble of recurring places and objects: a cafe which no longer serves pizza, the alley where only Simon and the children go, dirty window panes, dummies, red liquid between paving stones, a photo of a sailor who peered at sea (the Boston grandfather, Robbe-Grillet reveals).

"The world is much more bizarre than people want to admit, much more strange, rich, exciting." As in Robbe-Grillet's other novels, time, space and personal identity have no meaning here.

"Djinn," the French equivalent of "genie" or "jinn" in English and pronounced like the American woman's name Jean, came out simultaneously in Paris and New York on March 3, a first for any French novel. The New York version, titled "Le Robot-Vous," is a university text with grammatical notes, exercises and glossary by Yvonne Lenard, who wrote the "Parole et Pensee" series familiar to many Americans who have studied French.

When Robbe-Grillet was teaching a seminar at UCLA in 1978, Mrs. Lenard complained to

him that not only did her French texts bore her students, they often found them laughable. "The ideal would be for a novelist to write them, but no writer would accept the constraints of preparing a textbook," she told Robbe-Grillet, who replied that he would do it.

He quickly wrote the first chapter of "Djinn" in the present indicative tense. She added the correct tenses with confusion, Rinehart and Winston who, in Robbe-Grillet's words, "said 'fantastic' and signed a contract right away."

The New York publishers have been testing the book on readers and students, who report that although they found the story a bit complicated, they always wanted to go on reading. Successive chapters are increasingly difficult, grammatically, and the novel, written in a style that is not fair, why only for the Americans, why not for French students too? They need exactly the same thing, since the French they learn at home is neither complex nor complete.

When the book was finished, I had French friends read it without telling them it was meant to teach grammar. None of them realized it. It was a novel like any other. There is something else even funnier than that. All of a sudden, the whole dispute about the *nouveau roman* broke out again.

Literary Comeback

The *nouveau roman*, a literary genre begun by Robbe-Grillet and others in the 1950s, has never been accepted by French liter-



Author Robbe-Grillet

ary traditionalists. The *nouveau roman* writers reject all of the elements of what Robbe-Grillet calls 19th-century fiction; that is to say characters, plots, chronology, consistency. These conventions create a false semblance of reality, they say, in the contrary fashion with confusion, repetition and continual transformations. Needless to say, *nouveau roman* can be difficult reading, and their complexity has often given them the reputation of being mere intellectual obfuscation. "Djinn" is a delightful exception to the popular wisdom that such novels are boring.

The debate was revived when Le Monde published a review of "Djinn" which stated that not only did the *nouveau roman* still exist, it was the only contemporary French novel, for there had been no other literary movements in France since the war. Other publications took sides.

Written into the exercises of the text book version of "Djinn," is a comparison of the *nouveau roman* and traditional forms of fiction. Robbe-Grillet takes obvious pleasure at the thought that the many thus with a whole generation over to the *nouveau roman*.

"I had a great time doing it," he said gleefully, "and I know that all of the people who detect me are furious at the idea that I am going to contaminate students learning French all over the world."

PEOPLE: Birthday Greetings Sent To Sakharov on Age 60

Nobel Peace Prize winner Andrei Sakharov turned 60 with only his wife as company, but admirers from all over the world sent telegrams supporting his struggle for human rights in the Soviet Union. Sakharov and his wife, Yelena Bonner, planned to celebrate the day with a birthday cake in their exile home in Gorki, 250 miles from Moscow. Mrs. Bonner said earlier... In Tel Aviv, the Weizman Institute of Science said it had sent a cable to Sakharov for his birthday. Professor Michael Sela, president of Israel's leading scientific research institute, said the cable expressed "affectionate admiration, not only for your immense scientific accomplishments, but also for your heroic stand for the greater good of mankind."

Solidarity union leader Lech Walesa has been elected "pippenan of the year" by the British Pipe-smokers' Council and invited to Philadelphia to receive the city's Freedom Medal. The Polish news agency quoted the British group as saying that watching Walesa smoke a pipe "all smiling and talking about the latest events has a pronounced relaxing effect."

The U.S. Immigration and Naturalization Service has granted Chinese ballet dancer Li Chuan, who secretly married an American dancer, permission to remain in the United States. The soloist with the Houston Ballet was given his "green card," the INS identification for resident aliens, according to officials in Houston. Li, who has been with the Houston Ballet since 1979, married Elizabeth Mackey of West Palm Beach, Fla., a student studying at the Houston Ballet Academy, a few days before his visa expired on April 29.

Supermodel Cheryl Tiegs marrying photographer Richard Beard on May 24, but she accepted another proposal from Robert Joseph, the old music director of the American Philharmonic. But instead of marriage, she proposed that Miss Tiegs and American Philharmonic board and board of trustees said yes and has promised to send the symphony orchestra will perform at the Hall in its final concert of full season on May 26, five days after her wedding.

CBS announced it has five-year contract under which will serve in a variety of posts with emphasis on the new "Evening News."

The American Academy and Institute of Arts and Letters bestowed its Gold Medal on artist Raphael Soyer and writer-critic Malcolm Cowley. The academy

gave its Distinguished Service Arts award to Producer J. Papp for opening "the world theater to people who otherwise would not have been part of a dance." Actor James Earl Ray received the Medal for Service Language, an award last year 1962, when actress Julie F. was the recipient. The awards, issued at the academy's 40th ceremony, nine new members were inducted, including Joan Didion and Tom Moynihan, posthumously, the late Nelson Algren.

Artis Lee Wailes dumped a ton of fresh horse manure from the front door of the Los Angeles Times, saying he was protesting "dumping" an artist in particular, an unfavorable Times review of his work. A year-old Abstract "Express" who usually works with paints on canvas, said he is manure on concrete was appropriate for this piece of peace art, staged at noon on downtown streets. "When the dump fails to communicate, another will succeed," he is climbing to the top of the cheerers of about 200 spectators critic Suzanne M. Wailes' paintings on May 18, the review she said. "Wailes arrives with an impressive list of exhibition and credits, shows nothing to his paper reputation."

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